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ABSTRACT

The objective of the African Capacity Building Initiative is to build and strengthen local capabilities for policy analysis and development management in Sub-Saharan Africa. This report examines the nature and magnitude of the problem, which basically consists of a shortage of development management skills combined with weakness in the area of policy formation in Sub-Saharan Africa. The report describes the African Capacity Building Initiative and presents an action program designed to meet its goals. The management and operational structure of this program, whose ultimate objective is substantially improved indigenous analysis and management of Africa's economic and development processes, is outlined. (DB)

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The African Capacity Building Initiative

Toward Improved Policy Analysis and Development Management in Sub-Saharan Africa

The World Bank
Washington, D.C.

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Foreword

Many different approaches have been taken to the development challenge in Sub-Saharan Africa. These approaches have all failed to support on a sustainable basis one essential dimension: indigenous African capacities—skills, knowledge, and institutions.

The World Bank's long-term perspective study on Sub-Saharan Africa (*From Crisis to Sustainable Growth*, 1989) highlighted this weakness and noted that human and institutional capacity is lacking in virtually all sectors and countries. The study called for a radical reappraisal of technical assistance strategies for Africa and for substantially increased investment in indigenous human capital and institutions. The African Capacity Building Initiative (ACBI) offers one of the first opportunities to respond directly to this challenge.

African governments and the donor community are working on capacity building in diverse ways—through projects to develop human resources, agriculture, education, health, the environment, and so on. All these efforts are important and should be continued and intensified. But they are not enough. In particular, a vital gap is not being adequately filled: capacity in economic policy analysis and development management. Despite the achievements in education and training in Africa during the past 30 years, most countries still do not have a critical mass of top-flight policy analysts and managers who can help pilot their economies through the storms and turbulence that must be faced daily.

Over the past several years, extensive consultations have been held with Africans and donors about the thrust of a new capacity-building effort. Where should it begin? The consensus is that policy analysis and development management are the most obvious gaps and should be the fulcrum of any new initiative—because rigorous policy analysis allied with professional management will support progress in every other sector. While the focus of the ACBI, therefore, is sharply defined, its impact will be broad and deep.

The ACBI is based on several premises: it is a framework that allows for flexibility; it is focused on improving donor coordination; it features strong African participation; it emphasizes sustainability; and it starts out small.

This report traces the development of the ACBI—from a beginning conceptual framework to a management and operational structure. The real test of the ACBI, of course, will be how effective it proves to be as it moves forward from this intellectual point of departure. The three co-sponsors of the ACBI—the African Development Bank, the United Nations Development Programme, and the World Bank—are committed to its success. Other donors and African governments have also expressed enthusiasm and financial support for it. Now the idea must be implemented.

The ultimate objective of the ACBI is clear: 10, 15, or 20 years from now, Sub-Saharan Africa will have its own professional policy analysts and managers and its own institutions for training and advice in policy analysis and development management. There will be much less dependence on external technical assistance. Africa will be more in control of its economic destiny.

That is an objective that all of us committed to sustainable development in Africa can share and work toward.

Edward V. K. Jaycox
Vice President, Africa Regional Office
The World Bank

This report was prepared under the direction of Edward V. K. Jaycox. The Task Manager was Dunstan M. Wai, who co-authored the report with Gerard T. Rice, with the invaluable assistance of Mary Lou Ingram. It is the product of extensive consultation with individual African experts, the donor community, particularly the African Development Bank and the United Nations Development Programme, and African governments. Ms. Myrna Alexander and Messrs. Stephen Denning, Dennis de Tray, Pierre Landell-Mills, Stephen O'Brien, and Lee Roberts made valuable contributions. The Council of African Advisers also played a critical role in shaping the document—especially Messrs. Ojetunji Aboyade, Jonathan Frimpong-Ansah, and Harris Mule, all of whom provided intellectual input, sound advice, and support. Within the World Bank, the report benefited from the comments of the Africa Regional Management Team, the Operations Committee, and the President's Council. Many others inside the Bank also contributed, including Elkyn Chaparro, Sydney Chernick, Mamadou Dia, Robert Hindle, Robert Lacey, Paatii Ofosu-Amaah, James Socknat, and Roy Stacy. Excellent support was provided by Catherine Baumber, Teresita Buktaw, Anne Dronnier, and Marcell Robb. Alison Strong edited the text for publication. A special word of thanks goes to Alexander Kwapong and Brian Van Arkadie for their contributions.

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Acronyms and initials

ACBI	African Capacity Building Initiative
ACB Foundation	African Capacity Building Foundation
ACB Fund	African Capacity Building Fund
AERC	African Economic Research Consortium
AfDB	African Development Bank
AMTA	Agricultural Management Training for Africa
ARDNET	Agricultural and Rural Development Network
CGIAR	Consultative Group on International Agricultural Research
CIDA	Canadian International Development Agency
CODESRIA	Conseil pour le développement de la recherche économique et sociale en Afrique
DTCD	Department of Technical Cooperation for Development
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
EDI	Economic Development Institute of the World Bank
ESAMI	Eastern and Southern African Management Institute
FAO	Food and Agricultural Organization of the United Nations
IDEP	Institut africain de développement économique et de planification
IDRC	International Development Research Centre
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
NATCAPS	National Technical Cooperation Assessment and Programs
PTA	Preferential Trade Area
SADCC	Southern African Development Co-ordination Conference
SAPAM	Special Action Program for Administration and Management in Africa (UNDP)
SIDA	Swedish International Development Authority
SPAAR	Special Program for African Agricultural Research
UNDP	United Nations Development Programme
UNEDIL	UNDP/EDI/ILO Program
USAID	U.S. Agency for International Development

Introduction

The African Capacity Building Initiative (ACBI) is aimed at building and strengthening local capacities in policy analysis and development management in Sub-Saharan Africa. The African Development Bank, the United Nations Development Programme, and the World Bank are the lead cosponsors of the ACBI. The Initiative represents a broad partnership between Sub-Saharan African countries and the international donor community.

The ACBI is a framework that will evolve as it is implemented. It addresses the major parties working in this field—principally, African governments, and donor organizations—and proposes a new partnership between them to build, over the long term, a critical mass of professional African policy analysts and economic managers and to ensure the more effective use of those already trained. The ultimate objective is substantially improved indigenous analysis and management of Africa's economic and development processes.

The ACBI recognizes the shortage of a wide range of development management skills in Sub-Saharan Africa. The need for capacity building is very broad indeed. In light of the current economic crisis facing the region, however, the ACBI focuses on policy analysis and development management—because these skills are crucial and affect all other development issues. The scope of the Initiative is thus clearly defined and relatively modest, but its impact should be deep and widespread.

Essential goals of the ACBI are to build professional policy analysis and development management skills and institutions in Africa and to enhance utilization of already existing resources; to create a forum for full and active African participation in the design and implementation of capacity-building programs; to improve donor coordination and help develop greater focus, prioritization, and rationalization in the development of economic policy research and management capacity—leading to substantial cost savings as well as improved programs; and to mobilize financial and technical resources for increased investment in human capital and institutions in Africa on a consistent and long-term basis. These features are too often lacking in current approaches to capacity building in policy analysis and development management in Africa.

The ACBI's action program includes new interventions and strengthens effective ongoing actions. There will be a focus on six principal components:

- The rehabilitation and improvement of selected **national institutions**—already existing departments of economics or public administration in universities or colleges, or research and management institutes
- The building or strengthening of a small number of **regional institutions** for policy analysis and development management; these regional centers would be principally training institutions in policy analysis and development management skills, and sources of policy analysis and advice.
- The strengthening or creation of government **policy units** in the Office of the President, Ministries of Finance, Planning and Central Banks
- The provision of **fellowships** to support selected African individuals in their research and training needs
- The expansion of **in-service training** and work experiences for African professionals
- The strengthening of **local consulting firms**, professional associations, and other nonofficial organizations.

The mutually reinforcing linkages among these

components will be emphasized, including the anticipated positive impact on both the public and private sectors. It is also recognized that the proposed ACBI action program will need to be carefully phased over a long period and rigorously evaluated. The intention is to start out gradually and build upon experience.

In order to implement the action program, new mechanisms will be needed to help coordinate interventions and mobilize resources. Three major mechanisms are proposed through which the ACBI will function:

- **An ACB Fund** to support actions to build capacity in policy analysis and development management in Sub-Saharan Africa. The Fund, comprised of contributions from donors, will also be used to support an ACBI administrative structure (described below). Financing from the Fund will be on a grant basis. The Fund is a central component of the Initiative and will allow the ACBI to provide direct continuity of financial support for capacity-building actions. An amount of US$100 million is proposed to support the ACB Fund over the first four-year period.
- **Cofinancing** is another mechanism whereby donors may join some of their current capacity-building resources with financing from the ACB Fund, and direct those resources to support a specific capacity-building program or institution.
- **Associated programs** are a third mechanism whereby donors can design and implement their own capacity-building actions, but inform and liaise with the ACBI in order to enhance coordination. By associating their programs with the ACBI, donors will help to create a central networking and information-sharing center from which they and African recipients will benefit.

These various mechanisms for implementation will provide a flexible environment for capacity building in policy analysis and development management in Africa.

To coordinate ACBI actions, and to manage the ACB Fund, it is proposed that a new institution, the **African Capacity Building Foundation (ACB Foundation)**, be established, with a small administrative structure as follows:

- **A Board of Governors** consisting of donors and African contributors to the ACB Fund.
- **An Executive Board of Directors** consisting of African and non-African experts in the field of policy analysis and development management. The Executive Board will approve the ACB Foundation's work program and be custodian of the ACB Fund.
- A small **Secretariat**, consisting of talented and experienced professionals, and an Executive Secretary (appointed by the Board of Executive Directors) to operate the ACB Foundation's work program. The Secretariat will be responsible for identifying programs, monitoring and evaluating operations and committing the ACB Fund resources under mandate of the Executive Board. The ACB Foundation Secretariat will also play the principal coordinating role among donors and African institutions. The Secretariat is to be located in Harare, Zimbabwe.

These administrative arrangements will provide for the requisite technical and financial oversight of the ACBI and ensure the strong participation of Africans in the program.

The ACBI should be viewed as a pilot program in its initial, four-year phase. It will be rigorously monitored and evaluated and its continuation and level of support will be contingent upon its proven effectiveness. It should be emphasized, however, that capacity building in Africa is a long-term objective.

The opportunity for a concerted international effort to build African capacity in policy analysis and development management now exists. Donors recognize the need for improvement in their approach in this area. African governments, many of them already engaged in economic reform efforts, are also increasingly cognizant of the urgent need for internal capacity to analyze and manage their economic programs.

On April 26, 1990, the World Bank's Board of Executive Directors approved Bank participation in and strong support for the ACBI. The Bank's Board approved a contribution of up to 15 percent of an anticipated total ACB Fund of US$100 million. The Board also urged other donors to contribute as soon as possible. To this end, the World Bank convened a meeting of donors in Paris in June 1990 to formalize donor support and financial commitments for the ACBI, and to exchange views on the ACBI's proposed program components and implementation arrangements. Donors expressed strong support for the objectives of the ACBI and indicated willingness to contribute to the ACB Fund. The ACBI will begin operation in 1991.

Part I

A Framework for Capacity Building

1

Capacity building and African development

The purpose

The basic purpose of the African Capacity Building Initiative (ACBI) is to build, over the long term, a critical mass of professional African policy analysts and economic managers who will be able to better manage the development process, and to ensure the more effective utilization of already trained African analysts and managers. This paper outlines a framework for improving substantially the development of those capacities. The principal objectives are twofold: first, to place investment in human capital and institutions high on the agenda of African governments and donors; and second, to mobilize the commitment and resources of these parties to implement a program of specific actions.

The problem

The World Bank's study of long-term development prospects for Sub-Saharan Africa (*From Crisis to Sustainable Growth*, 1989) emphasizes that sound policies are a necessary, but often not sufficient condition for economic development.[1] To be effective these policies must be sustainable. Policy sustainability, in turn, requires a strong sense of African ownership. There is no better way to foster this sense of ownership than to produce these policies through first-rate indigenous research and policy design capacity. As the long-term perspective study also documents, this capacity is in critically short supply in almost every sector of most African countries. Providing the needed policy research and managerial capacity in the near term, and a capacity to produce these skills in the longer term, will require a large-scale, concerted, and coordinated effort by both donors and African governments.

The challenge of building policy analytic and management capacity in Africa is underscored by the substantial resources donors and African governments have already put into institutional development and, especially, by the disappointing results to date.[2] While it is difficult to estimate accurately how much donors are spending in Africa on technical assistance aimed at policy analysis and economic management, the figure is certainly large and on the increase.

Overall technical assistance to Sub-Saharan Africa increased by 50 percent between 1984 and 1987 and is currently estimated at over $4 billion a year.[3] Some 100,000 expatriates are at work across the region, a greater number than at independence. Nevertheless, it has become increasingly evident that not nearly enough local skills and institutions are being systematically built, technologies are not being transferred effectively, and lasting indigenous capacities are not being developed. Donor efforts and commitments to capacity building need to be better focused and coordinated. At the same time, the commitment of African governments to those same capacity-building goals—as well as to a willingness to utilize local policy analysis and management skills—must also be reaffirmed.

The scope

Development depends on the capacity of a society to analyze, adapt, initiate, and manage change. One of the root causes of the economic crisis facing Africa has been the lack of capacity in governments and institutions to respond quickly and decisively to a rapidly changing global economic environment. While the agenda for capacity building in Africa is large, therefore, policy analysis and development management should be the starting point, because Africa's weakness in capacity is most telling in that area.

Effective policy analysis and economic management are necessary for successful development in all sectors. Agriculture, industry, the social services, environmental conservation and demographic management all require the capacity to analyze and formulate responsive policies as well as to implement them. Strengthening these core skills will not only help create an environment that will benefit Africa's socioeconomic development, but will also add professionalism and quality to the management of individual sectors and the interaction between them. Thus, while the scope of the ACBI is relatively narrowly defined—policy analysis and development management—its impact on the African development process will be deep, widespread and catalytic.

The Initiative will help Sub-Saharan African countries to improve their policy formulation by training a critical mass of policy researchers, analysts. and economic managers; by encouraging more effective utilization by African governments of these new resources as well as of those that already exist; and by strengthening institutions at the national and regional level so they can survive periods of economic and political instability and provide research, training and advice on crucial economic policy issues.

The immediate aim of the ACBI will be to strengthen government policy formulation and managerial functions by promoting the use of existing African researchers, analysts and managers. Over the longer term, the Initiative will create networks of highly trained professional policy analysts and economic managers in government, academia, and the private sector—many working in decision-making positions that have a broad impact on all aspects of African economic life. In short, the ACBI will provide Sub-Saharan Africa with a critical mass of expertise to articulate, analyze and implement the region's development goals, and help African nations gain a firm grip on their economic destiny (Box 1.1).

The importance of policy analysis and development management

While the widespread economic dislocations of the 1970s—changing oil prices, boom and bust in commodity prices, overburdening of debt—affected most countries of the world, the extraordinarily limited policy analytic and management capacity in Sub-Saharan Africa weakened the region's ability to adjust to these new economic realities. Rigidities in bureaucratic structures, insufficient information about and lack of appreciation for the consequences of changing economic situations, reliance on a very few economic policy instruments, and the absence of

Box 1.1 Dimensions of policy analysis and development management

Effective policy analysis depends on the ability to identify and measure the impact of various economic options, to assess trade-offs, and to present well thought-out choices in a well-prepared manner to policymakers and managers. Policy researchers need special abilities to analyze and synthesize; to weigh various alternatives for solving complex problems under conditions of uncertainty, competing interests, and limited time; to explain persuasively and clearly to policy managers the strengths and weaknesses of various options; and to recommend a specific course of action in keeping with the economic and sociopolitical realities of the country. Persuasive policy advice must be founded on technical competence, but it also requires insight into practical political and bureaucratic options, creativity and imagination, and effective communication skills.

The counterpart of effective policy formulation based on sound policy analysis is well managed implementation. But it should be recognized that the skills of the manager differ somewhat from those of the policy analyst. The manager may be a minister or deputy minister, permanent secretary, department director, senior civil servant, or the head of a parastatal. As well as a sound understanding of economic principles, these managers need to apply their knowledge in their particular political, bureaucratic, social, and cultural environments. This requires political sensitivity and skills in public administration, communication (oral and written), task management, personnel selection, time management, consensus building, and negotiating techniques.

The ACBI is aimed at strengthening both sets of skills.

Box 1.2 The policy formulation process

For the policy process to be effective, both policy analysis and economic management must interact. The process by which they interact might be described as a pyramid. Typically, at the pyramid's apex is a small team of senior managers concerned primarily with economic strategy and other broad policy issues. This group, enjoying the confidence of the political leadership, is called upon for advice and knowledge as decisions are made, and is also required to oversee implementation decisions. Below this apex are the analysts who work on particular aspects of policy (pricing, budget, money supply, balance of payments, social spending), and the managers who administer development projects.

To ensure that different perspectives are examined in the search for the best policy choices, governments must be able to call upon groups from many different parts of society. Some of these may be interest groups, such as trade unions, chambers of commerce, and professional associations. Others may be academic institutions that can impart a more detached view of policy developments. Still others may be internal government policy units established to serve particular administrative or bureaucratic purposes. And beyond these groups lie important community leaders, nongovernmental organizations (NGOs) and other grassroots organizations whose experience, insights, and commitment are often vital to effective policy formulation and implementation. Tapping a wide range of viewpoints not only increases the prospect of generating quality advice, but also improves the likelihood of its acceptance and eventual implementation.

The importance of these different kinds of capacities and institutions in the policymaking process will vary over time, and their influence will depend on the issues at stake. What matters is that policymakers should have continual access to these capacities and institutions as they address major policy questions. The dearth of these indigenous capacities and the weakness of local institutions in Sub-Saharan Africa have resulted, in numerous cases, in a flawed policy process which, in turn, has led to severely negative effects on development.

strategic thinking hampered many governments' responses to the economic and social problems facing their countries.

For Sub-Saharan Africa to be better prepared to play a competitive and productive role in the global economy in the 1990s and beyond, the region will need the intellectual and managerial capacity to shape policies and to implement them effectively. Too often in Africa critical public policy issues are inadequately analyzed; little relevant and timely research is done by African universities and other centers of policy research; African data sources are generally inadequate or unreliable; and high-level African officials in key economic ministries are sometimes poorly trained and equipped.

With Africa's urgent need to take action, it is not surprising that expatriate advisors have been increasingly called upon to substitute for this lack of capacity. However, these stop-gap measures cannot provide a lasting solution. In the immediate future, donors will need to continue to help bridge the gap in African expertise through technical assistance and other forms of support. In the long run, however, there is no substitute for Africa having its own indigenous capacity.

Like other regions that have achieved development success, Africa too requires excellence in its economic leadership: civil servants, administrators, entrepreneurs and academics. If sufficient numbers of high-quality African economic managers and analysts can be created, the current intellectual and professional dependence on external and expatriate technical assistance will be reduced. This will strengthen African ownership of economic programs, thus improving the prospects for the design and implementation of effective policies and subsequent performance.

Essential features of the ACBI

Policy formulation is an interactive process involving many different agents and disciplines (Box 1.2). The ACBI framework would bring together these various constituencies in a dynamic and participatory program which would ensure strong African involvement in the planning and formulation of capacity-building strategies. African leadership in design and implementation of policy is an integral part of the Initiative.

The Initiative is also based on the premise, which has become clear after nearly three decades of development assistance, that the donor community can and must do much better in terms of creating and fostering local policy analytic and management capacities and the institutions that produce these capacities. Although a number of donor agencies have developed expertise in this area and have undertaken effective programs, it must also be acknowledged that many of the past and present approaches to the delivery of technical assistance have not worked. The donor com-

munity has not developed a coherent strategy and, in case after case, development projects have been evaluated and found wanting in terms of creating and consolidating indigenous human resource and institutional development goals.

The ACBI will address deficiencies in past programs by drawing on the insights of the donor community to forge a practical and effective approach to building capacity in policy analysis and economic management in Africa. Based upon best practices and drawing from the lessons of experience, the ACBI will seek to provide a strategic and long-term sense of direction to capacity-building efforts, help to coordinate and integrate the actions of donors and African governments, provide sustained support and focus on agreed priorities, and also help achieve cost savings with higher quality results and greater impact. To achieve these goals, the ACBI's structure and programs will need to respond in a sensitive and collaborative fashion to African national and regional priorities—and be able to devise innovative and flexible approaches that can succeed in differing institutional and political settings. The framework outlined in this paper—which is based on extensive consultations with Africans and donor institutions—suggests such approaches (Box 1.3).

Any effective effort to build capacity in policy analysis and development management in Africa will also require a long-term horizon. It is an ambitious task, not only because of the long time frame, but because success will require reform and improvement in other critical sectors—espe-

Box 1.3 The ACBI: A consultative approach

An initial World Bank review contrasting policy analysis capabilities in Africa with those in other parts of the world began a process of internal staff discussions on the breadth and depth of Africa's human resource and institutional capacity problems. A working session, held in Kenya in June 1988, brought together selected Bank staff and experienced African managers, policymakers, and academics. This session launched a process of consultation and interaction with African and international experts on the nature of the problem and feasible solutions.

The World Bank brought its preliminary analysis of the problem of capacity building before a group of some 30 multilateral and bilateral donors, private foundations, international development policy and research institutions, and African experts at the Rockefeller Foundation in New York City in January 1989. This meeting reinforced the Bank's earlier diagnosis and helped highlight the outstanding issues and determine priorities. The Rockefeller meeting also served as a forum for participants to share their substantial experience in developing institutional capacities in Africa in different policy domains. Participants at the Rockefeller meeting endorsed the critical importance of capacity building in Africa and encouraged the World Bank to proceed with the idea of a special initiative in this area and to seek support for it.

The World Bank, the African Development Bank (AfDB) and the United Nations Development Programme (UNDP) next agreed to work jointly to develop the ACBI. The views and experience of African experts were particularly beneficial in the process of consultations and this was facilitated by financial support from the UNDP and the Carnegie Corporation.

The President of the World Bank consulted with the African Governors of the World Bank on the ACBI concept during the Bank/IMF Annual Meetings of 1988, 1989, and 1990. On these occasions, the African Governors endorsed the idea. The World Bank's Council of African Advisers has discussed the Initiative extensively, and the Bank's Regional Vice President for Africa has also solicited the views of African and non-African experts on many occasions. In particular, a Round-Table discussion on the ACBI was held in Canada in September 1989. Sponsored by Dalhousie University and the Canadian International Development Agency, this Round-Table was attended by a number of senior African government officials, heads of universities, and various policy advisers, researchers and experts. Many discussions on the ACBI have also been held with bilateral donor agencies—including during the 1989 and 1990 Bank/IMF Annual Meetings. In all these consultations, strong support was expressed for a focused, long-term initiative.

The ACBI concept was discussed and approved by the World Bank's Executive Board on April 26, 1990. Following this meeting, a major donors' meeting was held in Paris in June 1990. Further follow-up meetings of a Steering Committee of donors were held in September 1990 in Paris and in November 1990 in Washington, D.C.

In designing the ACBI, lessons have also been drawn from such innovative programs as the African Economic Research Consortium (AERC) and the UNEDIL regional network program to strengthen African management training institutions. Consultative mechanisms, such as the Consultative Group on International Agricultural Research (CGIAR), the Special Program for African Agricultural Research (SPAAR), and other models of donor coordination have been reviewed. This extensive consultation and review process, and the ideas generated from the exchanges with Africans and donors, have been instrumental in shaping this paper.

Box 1.4 The Asian and Latin American experience

Capacity-building experiences for policy analysis in Asia and Latin America show that only two decades ago, many problems familiar to Africa were prevalent there as well. Political instability and weak bureaucracies, for example, were typical of several Latin American countries as well as of some Asian countries like Indonesia. In the 1950s and 1960s, university standards in these countries were considered to be extremely low. Korea had only six Western-trained PhDs in economics in 1969, and Indonesia had hardly any at the time of independence (1948). Indeed, some of the African universities were ahead of institutions in Asia and Latin America in the 1960s.

Demand for policy analysis was also low, and independent policy research centers were relatively new phenomena in Asia and Latin America. Yet over time, these institutions have come to play an important and respected role in policy formulation, complementing the in-house capabilities within governments—for example, the Instituto Nacional de Administracion Publica of Mexico, the College of Public Administration of the University of the Philippines, and the Korean Development Institute (KDI).

For a long time, many Korean PhDs did not return to their homeland after training in the West. It was only the establishment of KDI in 1971 and its favorable environment that attracted the first set of economists back. Experience in other parts of the developing world also shows that autonomous centers can attract and retain well-trained professionals.

An important feature of successful capacity building in both government and private and semi-private institutions in Asia and Latin America has been long-term twinning arrangements. The Indonesian Government, for example, has had a continuing relationship with the Harvard Institute of International Development (HIID); and in Korea, KDI was assisted by HIID for several years. Several Indian institutes have also had extended twinning arrangements.

cially in education and public sector management. Success will also depend on the evolution of systems of governance within African states to encourage and make use of sound policy analysis and efficient management principles. The increased demand for policy analytic and management skills generated by the growing number of reform programs that have been initiated by African governments in recent years is a highly positive development. Over the longer term, however, this demand for analytic and management skills can only be sustained through the strengthening of local capacity to identify and discuss problems, devise appropriate solutions and effectively implement them.

Framework

The ACBI is not meant to provide a detailed blueprint for capacity building in Africa over the next several decades. Rather, it seeks to establish a framework which can help African governments and donors focus on priorities, respond to changing circumstances, and coordinate their actions for maximum effectiveness. The responses to the challenge of building capacities in policy analysis and development management in Africa must be allowed to evolve over time in a flexible manner, building upon best practices and experience.

A renewed capacity-building effort in Africa can benefit from the experience of other regions which have already created and maintained institutions capable of excellent policy analysis and research, and which have trained strong groups of analysts and managers in the public and private sectors. It is noteworthy that such capacity building in Asia, for example, has been viewed as a long-term effort with a good deal of continuity and intensive participation by collaborators. Moreover, these capacities have survived in an environment of continual political and economic change (Box 1.4). The ACBI will draw on lessons from these regions to identify not only the skills to be strengthened, but also the institutional structures needed to maintain and utilize these skills.

2

Nature and magnitude of the problem

Weak policy environment in Africa

There are many reasons for Africa's weak capacity in the areas of policy formulation and development management. Of primary concern is a pervasive lack of the basic elements of successful institutions: educated and trained human resources, sound management systems and strategies, and favorable policy environments and incentive structures.

As African countries gained independence in the 1960s, new governments had to face the fact that colonial regimes had bequeathed to them neither strong institutions nor an educated and skilled populace. At independence less than a quarter of professional civil service posts were held by Africans; most trade and industry throughout the continent was foreign-owned; only 3 percent of high school-age students received a secondary education. Zaire, for example, reached independence without a single national engineer, lawyer, or doctor.[4] With all its copper wealth, Zambia had only a hundred university graduates and a thousand secondary school graduates. In 1961, the University of East Africa (serving Kenya, Tanzania, and Uganda) turned out a total of only 99 graduates for a combined population area of 23 million.

Post-independence policies pursued by African countries exacerbated this weakness. To take control of their new nations, many governments became directly involved in commercial and productive activities which had been in private, usually expatriate, hands before independence. This tendency led to rapid expansion of the public sector in Sub-Saharan Africa. Public employment now accounts for over 50 percent of non-agricultural employment in Africa in contrast to 36 percent in Asia and only 27 percent in Latin America.[5] Over 3,000 public enterprises have been created in Sub-Saharan Africa since the 1960s. This expansion, along with the rapid push for Africanization, often stretched limited indigenous technical and managerial capacity to the breaking point.

It must also be acknowledged that the political situation in many African countries has not been conducive to the growth or sustenance of independent human or institutional capacity. The political systems of new African regimes tended to be secretive, mistrustful, and intolerant of dissenting views—even of objective policy research and analysis. Consequently, censorship became common in Africa and local analysts confined themselves to relatively uncontroversial subjects. There is often no countervailing force in African countries—opposition parties, unions, professional associations, informed groups of intellectuals and opinion-makers—to debate and offer alternative policy options. The unfavorable political climate has diminished the expressed demand for policy analysis and advice, has lowered morale in government ministries, and has led to the neglect of educational, research and statistical institutions.

Africa's dire economic situation has also affected capabilities in policy analysis and development management. Steep declines in Sub-Saharan Africa's export earnings, brought about in part by poorly

formulated and misconceived economic policies, have produced a decade of negative per capita income growth for the region. Per capita GNP has fallen by about 20 percent in the 1980s alone. The resulting financial crisis has led to budget cuts throughout the public sector, resulting in serious shortages of funds for research, training, institution-building and education in general.

Crisis in higher education

The decline in Sub-Saharan Africa's systems of higher education has had a particularly severe effect on the region's analytical and management capacity. The World Bank's 1988 policy paper, *Education in Sub-Saharan Africa*, pointed out that higher education in particular has been hard hit by declining budgets and a rapidly expanding student body.[6] The growth in numbers of university graduates since independence has been extraordinary, from 1,200 in 1960 to over 70,000 in 1983. However, partly as a consequence of this growth, there is now a crisis of quality in African universities. Too many poorly trained graduates are entering the labor market each year, many of them in already oversupplied sectors, while chronic shortages continue in key economic disciplines.

Africa has produced first-class institutions of higher education, but these have not been maintained in terms of physical infrastructure, libraries, or staff. Makerere University in Uganda, for example, one of the finest academic institutions in the developing world in the 1960s, has fallen into a severe state of disrepair (Box 2.1). The same is largely true of the University of Ghana at Legon and the University of Ibadan in Nigeria—universities that in the 1960s were supplying both trained human resources and, on occasion, objective policy analysis to governments. A similar story can be told about national management training institutions, and even the few regional management institutions have seen uneven and slow progress.

Africa needs to develop again first-rate university programs that can produce the highly skilled professionals who can undertake basic and applied research. Universities and higher educational institutions should be intellectual forces that can assist governments with both today's and tomorrow's national development. Policies and programs need to be developed in Africa's higher educational institutions that can help stem the flow of Africa's finest intellectual resources to overseas institutions, and also reduce the need for African academics and trainers to supplement their salaries with second jobs or outside business interests.

Public sector management

The situation in Africa's public sector agencies and ministries is little better than in its universities. A disproportionate part of national recurrent budgets (up to 85-90 percent) now goes to cover wages and personnel costs, leaving insufficient funds to meet routine operating expenses. Cuts have been made in all areas: maintenance, equipment, supplies, training, and staff development.[7] In-house facilities and training for staff are practically non-existent. Exacerbating an already difficult situation, new entrants to the civil service, recently graduated from university and hired by government as the "employer of last resort," are frequently assigned jobs without sub-

Box 2.1 Decline in capacity at Makerere

Throughout the 1960s, Makerere University College in Kampala, Uganda was one of Africa's premier universities. Makerere played an important part in training Africa's first generation of post-independence leadership. As a leading university, Makerere was also a de facto regional center of academic excellence, attracting top-flight students from neighboring countries and visiting scholars from all over the world.

Unfortunately, this golden age for Makerere was cut short during the 1970s and 1980s. Those years of economic hardship and the ravages of war saw the institution shrivel to a mere skeleton of its former self. Inadequate staff salaries, a decrepit library, neglect of campus public utilities (telephone, water, electricity, sewers) — all these factors led to widespread faculty flight and a staggering decline in the quality of the educational experience at the university. Lecturers there were being paid the equivalent of less than US$25 per month in the summer of 1989. Only one phone was working for the whole of the university. Computer and modern technological facilities (for example, the fax machine) were virtually non-existent.

Makerere is a graphic example of the decline that has occurred in numerous higher educational institutions throughout Sub-Saharan Africa. Makerere's experience underscores the need for a consistent, long-term, and focused approach to capacity building in Africa—untidy domestic political situations notwithstanding.

stance and given negligible supervision. Power and decision-making authority are concentrated at the very top management rank with the result that senior management levels in government are severely overextended.

Fiscal austerity has led not only to a decline in public sector real wages, but also to a narrowing of the already small differentials between management levels and lower-skill groups. Under these circumstances, many of the best public sector personnel have chosen either to devote less time to their official capacities, or to leave public service altogether to become part of the brain drain. Estimates place the number of Africans who were trained in Europe and who remain there at some 70,000. Over 10,000 trained Nigerians are reportedly now working in the United States.[8]

Reform of African public sector management in general, and civil service structures and incentive systems in particular, must go hand in hand with efforts to increase the supply of trained analysts and managers. Most governments in Africa now recognize this need, and virtually every structural adjustment program now under way in Africa includes public sector management reforms. The ACBI will build on this growing recognition to develop strategies for improving the attractiveness of careers in the public service.

Donor efforts

While the many positive contributions by individual donors to capacity building in Africa should be noted, the lack of an overall, consistent and coherent strategy in this area may have inadvertently contributed to Africa's current capacity shortfall. For example, donor assistance often includes, and sometimes is specifically tied to, foreign consultants who are meant to transfer technical skills to African managers and institutions. In too many cases this simply has not happened. Technical assistance may be delivered during a consultant's service, but often no permanent skill transfer takes place. Sometimes the poor local environment and incentive structure have worked against skill transfer. But frequently lack of coordination has overburdened African institutions and available skilled manpower, and too often aid agencies have undermined the capacity of core ministries by setting up their own project management units. Donors have tried to promote capacity building in Africa, but the results have been uneven and generally disappointing.

"From an operational point of view, the record of technical assistance, particularly in Sub-Saharan Africa, is perceived by the Bank, the UNDP, donors and recipients largely as unsatisfactory," notes a 1987 World Bank report on technical assistance.[9] Among the major issues identified as hampering the effective utilization, absorption, and sustainability of technical assistance were the following:

- Technical assistance is often perceived as supply-driven, or imposed as a price for financial assistance rather than a response to local demands; it often reflects donor objectives that are not in keeping with Africa's needs.
- Projects are overdesigned, reflecting an imperfect understanding of the local institutional and cultural environment; there is often little attempt to ensure local input and adoption.
- The usually uncoordinated and sometimes duplicative flow of bilateral, multilateral, and regional sources of technical assistance has created monumental coordination problems among donors and recipients and has led to an overstretched capacity of aid recipients to provide counterpart human resources.
- There has been a significant shift from engineering-type, technical assistance to institutional assistance, which is more difficult to provide, implement, and monitor.
- The commitment of borrowers to the need for and objectives of technical assistance is often weak.

The flow of technical assistance into Africa is substantial. Reported average technical assistance for 42 African countries in 1987 amounted to about $7 per capita.[10] Many thousands of expatriate technical assistants are working in Sub-Saharan Africa, ranging from senior policy advisers, managers and business executives to technicians and teachers. There is no question that external technical assistance will continue to be needed in Africa during the next decade. Local experts in economics, finance, and other important specialties will be in short supply. However, the use of expatriates as a first choice rather than a last alternative must be resisted by both African governments and donors. Technical assistance must be designed to focus on building domestic capacity and institutions, and African administrations must be prepared to make full use of these local capacities. To this end, the World Bank's long-term perspective study on Sub-Saharan Africa has called for a radical reappraisal of current technical assistance efforts.[11]

For example, overseas training and education, which are sometimes used as part of the traditional technical assistance approach, have not been entirely successful in solving Africa's capacity problems. First, the low pay structures in African countries have often led talented Africans to remain abroad. Second, not enough has been done to ensure that the overseas universities or institutions selected for fellowships have programs relevant to the needs of African participants. As a result, students returning to Africa often find that they have acquired theoretical concepts and tools that are inappropriate to the practical problems they face as practitioners. Much more needs to be done to encourage overseas universities and training institutes to research the realities of African sociopolitical systems, and to adjust their programs accordingly.

Another clear lesson from past donor efforts to build African capacity is that these efforts must be long term if they are to succeed. In the 1960s and 1970s, donors made substantial contributions to the overseas and local training of Africans, the financing and conducting of research, and the establishment of teaching departments and research institutions. Much of this support, with notable exceptions, has now disappeared. While the support of the 1960s and 1970s did produce significant numbers of trained individuals and several excellent institutions (such as the economics departments of the universities of Legon, Ibadan, Dakar, Abidjan, Dar-es-Salaam, Nairobi, and Makerere), all of these institutions have suffered dramatic declines in the 1980s (Box 2.2).

Although the record of success is mixed, it is important to emphasize that multilateral and bilateral donors, as well as private foundations, have provided and continue to provide much-needed human resource and institutional support to Sub-Saharan Africa.[12] Furthermore, in response to the clear need for considerable strengthening of research and management capacities, new initiatives are being developed.

The UNDP, for example, has become an important source for policy and management improvements in Sub-Saharan Africa. Recent initiatives by the UNDP include the Special Action Program for Administration and Management (SAPAM), the funding of Structural Adjustment Advisory Teams to assist governments in preparing adjustment programs, and the establishment of a specialized development management program which will fund programs designed to address economic management problems that arise during adjustment reforms.

The Economic Development Institute (EDI), as the World Bank's external training agency, has also expanded its role as a trainer of key civil servants and policymakers in Africa through a series of senior policy seminars on the management of develop-

Box 2.2 The Rockefeller Foundation and capacity building

In the 1960s and 1970s some of the major international foundations, particularly Ford and Rockefeller, were major contributors to building capacity in Africa. Rockefeller, for example, invested $7.1 million in institution-building grants to the universities of Makerere, Nairobi and Dar-es-Salaam between 1961 and 1973. African institutions which remain today as important centers of research were first launched by grants from Rockefeller's University Development Program—including the Institute of Development Studies at Nairobi and the Economic Research Bureau at Dar-es-Salaam. While these efforts have been much reduced, many trained persons now occupy important posts and some of the institutional legacy remains. Foundations, moreover, continue to make important contributions—from small grants to individuals to institutional support for training and research, in a number of critical sectors.

Four major elements were crucial to the success of the Rockefeller Program:

1. **Concentration on five selected African universities:**
   - Makerere University College, Uganda
   - University of Dar-es-Salaam, Tanzania
   - University of Nairobi, Kenya
   - University of Ibadan, Nigeria
   - National University of Zaire

2. **Emphasis on long-term indigenous staff development:** Master's and doctoral fellowships abroad were awarded to strengthen the creation of local teaching skills and research capacity.

3. **Appointment of visiting expatriate staff:** The Rockefeller Program facilitated the achievement of excellent policy research centers by recruiting visiting professors and researchers from abroad for short-term appointments.

4. **Support for applied research:** Rockefeller's insistence on having research grounded in real-world problems encouraged the development of a research ethos.

ment. These seminars strengthen the EDI's more traditional work in training Africans in sectoral issues, in the art of training, and in developing curricula. Another noteworthy EDI initiative—undertaken in conjunction with the UNDP, the International Labour Organisation (ILO), and a consortium of other donors—is the UNEDIL project to strengthen some 16 leading regional and national management training institutions in Africa (Box 2.3).

A further significant initiative involving close donor collaboration is the African Economic Research Consortium (AERC). Supported initially by the International Development Research Centre (IDRC), the World Bank, the Ford and Rockefeller Foundations, and the U.S. Agency for International Development (USAID), the AERC was established to fund research proposals on African economic issues by Africans working in Africa. This effort is working to enhance the capabilities of individual researchers in more than a dozen university and policy institutions in Africa by sponsoring needed research on African issues. Although still in its initial stage, the AERC has demonstrated the ability to coordinate and focus research on important African economic issues as well as to provide a forum for African scholars to share information and research ideas (Box 2.4).

These and other recent donor efforts are helping to build policy analysis and economic management capacity in Africa, but they fall below the threshold needed to develop a critical mass of activities that will result in permanent change. Moreover, the traditional country-by-country, project-by-project approach makes it difficult to coordinate programs and to achieve economies of scale, particularly when dealing with the large number of small countries in Africa. Projects are often more costly than necessary both to donors and to recipients because each donor tends to repeat design and preparation in its own way. Lessons learned are seldom well disseminated.

Box 2.3 UNEDIL: An example of African and donor collaboration

The UNDP/EDI/ILO Program (UNEDIL) to strengthen African management training institutions is a rare example of collaboration among a group of donors and a group of African institutions. The purpose of UNEDIL is to build self-reliance among 16 of Africa's leading regional and national management development institutions (MDIs) through a process of collective action. The MDIs themselves take the lead in determining the priorities and the agenda for action; designing the programs and modalities; and implementing the action plans. Most programs are aimed at increasing the productivity and efficiency of development agencies and government departments engaged in major sector or enterprise management endeavors. UNEDIL operates in all subregions of Sub-Saharan Africa.

UNEDIL is supported by a consortium of donor agencies (including the UNDP, EDI, ILO, Commonwealth Secretariat, USAID, CIDA, SIDA, and the government of the Netherlands). The consortium is held together by a strong belief in the importance of building indigenous competence by utilizing the competence that is already there, bringing together the strongest resource persons, and strengthening the strongest institutions so that they in turn can multiply the benefits and take leadership in capacity building.

Box 2.4 The AERC: An example of a regional network

The African Economic Research Consortium (AERC) is an example of a potentially successful capacity-building research network. The exchange about policy options and experiences facilitated by the AERC is open, nonpolitical, constructive, and carried on mostly by Africans.

Established in 1988 and based in Nairobi, the Consortium provides funding and technical support to some 20 teams of four or five researchers. The AERC's current annual budget is about US$1.35 million. The AERC network of individual researchers—linked with practitioners—has contributed to national economic policies by focusing on selected economic problems: balance of payments and debt management, for example. To ensure interaction among the teams and to enhance the quality of the research, the Consortium also provides periodic meetings of the networks and seminars on technical issues of common interest.

The Consortium's effectiveness is largely due to the flexible approach that allows programs to be tailored to the needs of individual groups of researchers. By enabling well-trained Africans to remain in contact with colleagues across Africa and overseas, it is helping them to stay at the frontier of their profession and continuously deepen their professional knowledge.

Box 2.5 Botswana: A lesson in prudent public policy management

Botswana's system of public policy management is considered one of the most successful in Africa based on the capacity of the Botswana government to formulate and effectively implement strategies and programs of economic and social development. Throughout the boom and bust years of the 1970s and 1980s, Botswana's leaders managed to sustain a successful and pragmatic approach to macroeconomic and financial management, with the result that GNP grew at an impressive rate of 9 percent a year.

Since independence, the political leadership of Botswana has been firmly committed to the notion that competent management of the economy depends on the quality of the technocratic expertise in the public service. In addition, the following factors have contributed to Botswana's record of solid economic growth and prudent public policy:

- A political culture characterized by openness, pragmatism and a tradition of consensus building
- A gradual program of localization for bringing Botswana nationals into jobs formerly held by expatriates
- The recruitment of a highly competent cadre of economists in government
- Strong commitment at the highest levels of government to planning for short- and medium-term public investment
- The continuous and active involvement of policy analysts and planning staff in budgetary and economic management decisions.

The donor community should continue to use a broad spectrum of instruments and methods to improve and sustain policy analysis and economic management in Africa. Increased focus and coordination are needed, however, in order to ensure that donor activities do not operate at cross purposes. Greater partnership can yield cost savings for donors; it can also mean greater impact and intellectual pluralism for recipients. It makes good sense, therefore, for both Africa and the donor community to take a more coordinated approach to improve policy research and economic management capacity in Africa. Such an approach lies at the heart of the ACBI.

The question of demand

One of the most important determinants of sustainable capacity in policy analysis and economic management is the domestic demand for such services. Despite the need generated by the severe economic shocks of the past 15 years, there is clear evidence that African countries have neglected domestic policy capacity. This has led some to argue that there may be insufficient demand on the part of African governments for sound policy analysis and economic management advice. In assessing this argument, a number of factors should be borne in mind.

First, it is clear that the demand for analytically based policy advice has varied across time and among countries and sectors in Africa. Political attitudes have led some governments to ignore or even suppress objective policy analysis. Other governments have lost faith in policy analysis because it was of poor quality, ideologically motivated, excessively theoretical, or irrelevant to the African economic and political environment.

However, past experience of periods of low demand for policy analysis does not necessarily mean that demand for such analysis continues to be low, nor does it follow that demand will not grow in the future. Some countries, Botswana for example, have demonstrated a determination to exercise control over their own economic policies, and have maintained a consistently high demand for policy analysis from both local and foreign sources (Box 2.5). Other African countries (Côte d'Ivoire, Tanzania, Ghana and Mauritius are examples) have demonstrated strong, albeit not always consistent, demand for local policy analysis (Box 2.6). One manifestation of this demand is their relatively high average levels of investment in training economists and financial experts. Furthermore, the presence of foreign consultants and technical advisers in economic policymaking institutions and agencies provides a kind of prima facie evidence of local demand. As previously noted, around $4 billion per year is currently being spent in Africa on foreign technical assistance, a significant proportion of which is for economic policy analysis and advice.

It should be expected that demand for policy analysis will vary depending on circumstances. In some non-English speaking African countries there is no strong tradition of independent policy analysis in either universities or the private sector. Demand for independent research will probably also remain weak in countries where researchers and analysts are seen as anti-government. In

some countries demand is strong in certain core ministries or units of government, but weak among the sector ministries; in other cases the reverse is true. There may be a demand to strengthen technical economic functions within an agency such as the central bank, but resistance toward building this capacity in institutions less under direct government control. Moreover, demand may also stem from the private sector, as demonstrated by the case of Nigeria and to a certain extent by Kenya, Ghana, Zimbabwe, and a few other countries where business or farming groups are well organized. Some private enterprises and associations even have in-house research capacity. The question of demand, therefore, is not so much one of shortage but rather of addressing its varying nature.

With regard to the overall demand for policy analysis, a September 1989 report from the African Economic Research Consortium (AERC) concluded that "the effective demand for professional economists...exceeds the numbers currently supplied from local research and analytical and overseas sources."[13] This conclusion was reached through an analysis of available data and the demand for technical assistance and consultant services, and through discussions with senior government officials and academics. The AERC report further emphasizes that the required supply will be obtained over the longer term only through the development of local capacity in response to changing needs.

To serve this high latent demand for policy analysis, any new effort must stimulate the effective utilization of the capacity already available even as it works to increase the supply of new capacity. Better use of existing capacity could be accomplished through a variety of methods, for example, the use of local consultants and researchers in aid programs; grants for policy research and analysis within ministries and other key public agencies; seminars and symposia to disseminate findings of research and analysis; and aid projects with built-in policy analysis and evaluation components as "incentives" to help stimulate government agencies to seek research inputs from local scholars and consultants.

While these measures will increase the demand for policy analysis in many countries, there will be circumstances where demand remains low. But even in these cases, the maintenance of existing talent within the country can be a vital investment for the future. For example, foundation fellowships for able Ugandans continued even during the last years of Idi Amin; these Ugandans provided a reservoir of talent for the task of reconstruction when more rational circumstances returned to their country. Donors and African governments seriously committed to capacity building must be willing to accept the complicated nature of demand and the different forms it may take in different national contexts at different periods.

At this juncture, with many African countries engaged in major policy reform programs, the environment for investment in policy analysis and management capacity in Africa may well be more favorable than at any time since independence. As more

Box 2.6 Tanzania and the use of local policy analysts

The University of Dar-es-Salaam (UDSM) is one of the few universities in Africa where faculty and research economists are contributing significantly to national economic policy analysis. Its Economic Research Bureau (ERB), started in 1965 with Rockefeller Foundation support, was staffed initially by expatriates while Tanzanians were sent abroad for postgraduate training.

This effort to create a center of excellence was set back by the phasing out of Foundation support in 1971. Core staff were attached to jobs in the public service and expatriates left. This decline was reversed in 1979 when Sweden agreed to sponsor technical support and training for the ERB and Economics Faculty at the University of Lund.

The current program also provides for short-term study visits, sabbatical leave for senior staff, assignments by visiting professors, and equipment. As a result, there now exists a strong group of over a dozen Tanzanian professional economists at UDSM capable of carrying out independent research and providing policy analysis.

These UDSM economists have been increasingly drawn into policy work by the government in recent years. Four factors contributed to bring about this level of policy interaction between Dar-es-Salaam economists and government decisionmakers. First, the strong support of donors helped to establish UDSM as a small center of excellence. Second, Tanzanian authorities were willing to engage in a fairly open debate on difficult policy issues. Third, the professional analysis done by local economists was of practical relevance to Tanzanian policymakers. Finally, donors became increasingly aware that local experts are a knowledgeable and cost-effective resource for their own work.

African countries begin and intensify these reform programs, the demand for trained policy analysts and managers will grow. Supply must keep pace.

A major objective of the ACBI is to help stimulate demand and make it more consistent. Variations or even weakness in demand must not be used as an excuse for delaying the important task of building local policy research and management capacity in Africa. There is an urgent need for improved research, analytical and management capacity if the promise of Africa's policy reform process is to be fully realized. The ACBI action program outlined in the following section aims at meeting this need.

3

An action program

Main objectives

The ACBI will increase the provision of high-quality policy advice to African decision-makers through the training of senior managers and policy analysts in the public and private sectors, by helping establish reliable sources of research and information, and by promoting a more open policy dialogue on issues of significant economic importance for individual countries and the region as a whole. Specifically, the Initiative will:

- Create a consultative forum in which Africans can participate as full partners in the setting of priorities and the development of policies to promote capacity-building goals
- Establish processes for coordinating capacity-building efforts that would lead to greater efficiency and effectiveness of ongoing donor efforts
- Increase the level of funding and resources available to enhance ongoing capacity-building interventions as well as to finance promising new actions
- Establish systematic links between research and training institutions and governments to foster greater understanding and communication between these groups.

To accomplish these objectives the Initiative will:

- Selectively rehabilitate and upgrade existing policy analysis and economic management institutions and, where that is not possible, create new institutions
- Insulate these institutions from political interference and help them achieve coherent research and training programs
- Identify, design, and promote the systematic building of national and regional networks of researchers, analysts, managers, and professional associations in Africa
- Coordinate with complementary development initiatives in higher education, public sector reform, and other important sectors.

Program components

No single action or program can address Africa's capacity-building requirements in policy analysis and development management. Rather, a series of mutually reinforcing actions, phased over a long period, is necessary. Effective ongoing programs must be continued and, wherever possible, strengthened. But new actions will also have to be launched. All new actions need not be undertaken at once, all need not be given exactly the same weight, and the emphasis given to certain actions will change over time. The overall aim, however, is to launch a strategic capacity-building effort, undertaken jointly by African governments and donors, which is capable of making a substantial impact.

The diverse nature of the demand for policy analysis in Africa implies that the capacity-building response must be broad and flexible. A balance needs to be struck between national and regional initiatives to ensure that capacity survives the vicissitudes of local politics. A balance must also be achieved between building in-house governmental capacity and

strengthening more independent bodies such as universities, management institutes and local consulting firms.

National institutions

National problems must be tackled first and foremost at the national level. A primary action under the ACBI would be to focus on strengthening and expanding the policy analytic, economic and development management content of programs in existing national institutes of public administration, research and management training centers, and selected college and university departments. In one form or another, all these institutions provide essential inputs into the policy formulation and management process.

At present, few national institutions are providing either the training or working environment conducive to high-quality policy analysis or development management. This is partly because they are not graduating a sufficient number of well-trained economists. However, while the important role that economists can play in development in Africa should not be underestimated, they are not the only actors in the policy process, and training in economics is not the only measure of an institution's capacity-building impact. Interdisciplinary approaches (for example, public administration, international economic relations) are essential to meet the capacity-building challenge.

Furthermore, capacity-building institutions need to be connected to the decision-making process. With few exceptions, this is not happening. National institutions which have the potential to carry out socioeconomic studies that feed into policymaking have generally not been able to do so. The resource base of almost all these institutions, whether in human or financial terms, is inadequate to enable them to fulfill the role of adviser to government on policy and development management. The ACBI will create new and strengthen existing research and training centers within national institutions, upgrade their capabilities, and enhance their credibility with governments by broadening their focus in the field of policy analysis and economic management. Under the ACBI, for example, national centers could run senior policy seminars to be attended by government officials.

The Initiative's emphasis will be on the upgrading and rehabilitation of existing national institutions rather than the building of new "bricks and mortar" structures. Moreover, the support for national institutions will be carefully phased and build upon the experience of pilot projects in a few countries.

National centers will have to be carefully selected for support under the ACBI. The ACBI Secretariat (described in chapter 5) will develop the criteria for selection. Such criteria will almost certainly include degree of autonomy, sound financial control, and solid track record. It should also be ensured that institutions selected for ACBI support will have incentive structures adequate to attract the highest-quality professionals. Most important, the national government concerned would have to demonstrate clearly its commitment to sound policy analysis and its willingness to involve national institutions in the policy process. These and other considerations will be part of the formal appraisal process undertaken by the ACBI Secretariat prior to any proposal for support under the Initiative. The case of Ghana, where the Ghana Institute of Management and Public Administration is being fully integrated into the reform process, provides a useful example of a national government clearly demonstrating its commitment to a national institution.

In the national centers to be selected, the focus will be on research and analytical studies generated by governments and donors, and on programs for training economists, policy analysts, and managers. It would also be desirable to have some national institutions within the region that could offer a two-year Master of Business Administration degree (MBA), Master of Public Administration degree (MPA), or Master of Public Policy degree (MPP) program for eligible graduate students as well as for mid-career professionals. Both public and private institutions will be beneficiaries of the Initiative.

While initially focused on nationals as participants, the more successful of these national institutions could eventually evolve into subregional and even regional training centers. Leading national institutions or university departments could offer programs to students from neighboring countries, thus helping to lower costs, particularly for postgraduate training. National institutions might be encouraged to develop joint teaching facilities that would provide examples for other national or neighboring institutions to follow. The ACBI could also help national institutions to achieve economies of scale in the production of research and management skills and help stimulate linkages among African higher-level educa-

tional institutions. Linking national centers and other ACBI program components (regional centers, government policy units, consulting groups, and so on) will be extremely important. Formal twinning arrangements with institutions in Africa as well as in the donor countries will also be encouraged under the ACBI.

In some countries, there may be no university program or training center that merits support under the ACBI at this time. However, it will also be important to recognize that some institutions, although they may be run-down or in decline, have the potential to revive relatively quickly with an adequate injection of resources and support. The ACBI can play a crucial role in this effort as well as in helping to ensure that the needs of countries without national centers can be met by institutions in other countries.

Regional training centers

Strengthening and building regional centers that train policy analysts and economic managers, and provide research and analysis on economic issues, will also be an important focus of the ACBI. There are many reasons why such regional centers would be beneficial to Africa. These include overhead and staff savings, cross-fertilization of experience and ideas, and insulation from direct interference by any single national government or from economic difficulties in any one country. Regional or subregional centers would also help Sub-Saharan Africa move further down the road of regional cooperation—long recognized as a major precondition for sustainable development.

Africa's past experience with regional institutions has for the most part not been positive, and the reasons for failure are well known. First, regional institutions in the past have not had sufficient autonomy to pursue independent, professional courses of action and training agendas. Second, they have had no assured long-term funding. Third, their appointment processes have been based more on political than professional considerations. Fourth, they have generally suffered from a lack of quality control and accountability due largely to the failure of the governments involved to respect the mandate and objectives of the institutions. Fifth, they have sometimes been overwhelmed by donor interventions that have attempted to accomplish too much in too short a period.

These problems will be addressed directly under the ACBI. The regional centers selected and supported under the Initiative will be ensured a high degree of independence yet be closely monitored for quality control. They will run autonomous budgets and be insulated from external pressures by the ACBI's administrative umbrella (described in chapter 5). Furthermore, donor support to these institutions will be better planned, coordinated, and tailored to the institutions' absorptive capacity. Given the resource constraints facing both African governments and donors, the cost of physically building new regional centers is probably not feasible. A more likely option would be to select a few existing regional institutions and help them to expand their capacity and add to or upgrade their programs.

Under the ACBI, it is proposed that several regional institutions will be gradually selected for support—for West Africa, Central Africa and the Indian Ocean countries, Eastern Africa, and Southern Africa—building toward the establishment of highly respected centers for policy analysis and development management. These regional centers would primarily conduct training and research programs in various aspects of policy analysis and economic management. The target constituencies would be newly recruited civil servants; mid- and high-level government officials (ministers, permanent secretaries, department heads, and heads of public enterprises); entrepreneurs (established and promising); top officials from non-governmental organizations (for example, trade unions, professional associations, farmers' unions); and first-rate academics. The regional centers would thus provide the top and middle management in government and the private sector the opportunity to undertake short, refresher training courses; conduct research on important policy and management issues; and take time to reflect, write, and publish and to offer recommendations to African governments and donors. Another important feature of regional centers will be the hosting and organization of seminars, thus allowing policy practitioners and thinkers from the region to come together for an exchange of views and experiences.

Networks will be established among the different regional centers to encourage collaboration in the development of programs and materials, and the sharing of research findings aimed at upgrading faculty skills and knowledge. The regional centers will also have strong links and interactions with the national institutions supported under the ACBI—as well as with government policy units, consulting organizations and other ACBI program components. Thus the regional centers would both support and be

supported by the other ACBI program components.

It is envisaged that not more than two regional centers would be selected for support in the initial phase of the ACBI. Support to other institutions would follow in light of the experience of this pilot project and depending on its success.

On the policy analysis and research side, the institutions selected might offer a range of one-month, three-month, six-month, or even one-year training programs which would allow regional participants to catch up on the latest developments in their field through special courses and seminars conducted by teachers and fellows. Regional centers should have a small core of permanent staff and perhaps a larger rotating group of visiting lecturers who would, to the extent possible, be Africans.

On the management side, the regional institutions could offer new or refresher training courses on issues critical to development management—for example, the exchange rate, agricultural pricing, industry tariffs, privatization, social sector financing, and decision-making processes in general. The training programs would be of varied length and intensity, probably within a one-month to six-month range. As well as public servants, participants might include candidates from the private sector, academia, trade unions and professional associations, and community and party leaders. The regional institutions would thus encourage the vital interaction between analyst and practitioner that is so often lacking in the African policymaking process.

It is envisaged that the regional institutions would become both high-level training centers and "think tanks" on policy analysis and development management and would, over time, acquire a high degree of prestige and credibility based on the quality of their output. They would be able to provide research, analysis, and policy options to governments, donors or other groups upon request. They also would offer a forum for an exchange of views among key actors involved in the policy and development process in Africa. They would train people in the latest techniques and provide them with the most recent information and data in their fields, and they would provide an important link between policy analysts and managers in government and those in national institutions such as universities and research and training institutes, as well as in the private sector. In addition, the regional centers would provide a base for talented African thinkers and practitioners in the field of policy analysis and development management, help stem the brain drain from Africa, and attract back talented Africans currently employed overseas by offering them the prospect of an institutional "home."

The administrative and financial control arrangements for each regional center will be worked out in detail by the ACBI's Secretariat (described in chapter 5) on a case-by-case basis. The Initiative will also ensure an effective management and incentives structure for regional centers and adequate resources for training and seminars.

The criteria for selecting regional centers are crucial to the Initiative and will be developed by the ACBI's Secretariat and approved by the Initiative's governing structure (described in chapter 5). Some of the following factors will be taken into account: independence and freedom from politicization, strong leadership and faculty morale, openness to different nationalities and explicit willingness to play a regional or subregional role, financial soundness, and evidence of a solid track record in research and training.

High profile, high-quality regional training centers should become, over time, authoritative voices in the fields of policy analysis and development management, offering training, research and advice to national governments on a broad range of policy issues. In addition, the regional centers could also help develop a better framework for international negotiations between Africa and the rest of the world.

Government policy units

A corollary to support for selected national and regional centers for policy analysis and development management will be support for policy units within governments—and encouragement for the creation of such units where they do not exist.

Government policy units are a crucial link in the policy development chain. They are essential to the development process as recipients of the research findings and policy recommendations of universities and research institutes. Government policy units may consist of only a few staff in the president's office, in the ministries of finance and planning, and in the central bank. But they can perform critical roles in the review, filtering, and acceptance of new policies. These units can also give governments the internal capacity to engage in meaningful policy dialogue with donors.

The strengthening of a government's strategic planning function is also a matter of pressing

urgency for most African countries and therefore a matter of priority for the ACBI. Governments cannot hope to reform their economies without a clear vision of their intermediate and longer term policy objectives. While there is no shortage of planning ministries and commissions in Africa, few of these bodies carry out the policy analysis and planning tasks for which they were established. They seldom have any involvement in the setting of strategic agendas or in the making of strategic choices. Often it is the finance ministry that in effect makes these choices, driven by short-term budgetary or political considerations. African countries need a strategic planning capacity that combines the talents of objective and well-trained analysts with the realism of practitioners who understand Africa's political constraints and severely limited resources.

While a number of donors, including the World Bank, the UNDP, and the Commonwealth Fund for Technical Cooperation, already offer technical assistance support to African governments for policy advice or analysis, these interventions are usually linked to specific operations or programs. When the programs end, the policy advice usually ends too. In only a few cases has a sustainable, internal government capacity to provide policy advice been established. The ACBI will, therefore, serve a vital need by offering to assist national governments in building small policy units, or strategic planning offices or think tanks staffed by first-rate analysts. Small, low-income countries might particularly welcome support to establish a policy unit, as might countries preparing to undertake major economic reforms.

This kind of support will need to be flexible and responsive to a particular government's needs. In some cases, it could mean financial support for an individual to undertake training or research while in government service. In other cases, it might mean financing studies that are commissioned by an existing policy unit. It might mean offering advice on qualified individuals (sometimes non-nationals) who could help set up a government policy unit or strengthen an existing unit.

The strengthening of government policy units will reinforce and complement other aspects of the capacity-building Initiative. Indeed, they will play a key role in linking the ACBI's program components. Even a small core of analysts at the highest levels of government can stimulate the demand for independent research, analysis, and training from national and regional centers and lead to more effective use of policy output from other elements of the ACBI. Again, a government's firm commitment to this kind of policy unit would be one of the criteria used to decide whether it ought to be eligible for support under the ACBI.

Fellowships

More opportunities need to be provided for the training of Africans with the ability to develop as outstanding professional analysts and managers. For example, external assistance to provide masters and doctoral degree training should be made more available. In recent years, donors have cut back on the provision of full-scale support for this kind of training for Africans on the grounds of expense. In the process, high-level human resource and institutional development on the continent has been slowed.

To help reverse this trend, fellowship funds might be made available under the ACBI, on a selective basis, to outstanding African civil servants, business leaders, and academics. Such funding could allow them not only to undertake additional training, but also to pursue independent economic research or analytical work. Some of this work would take place either abroad or in the national or regional centers, again serving to link the ACBI program components.

The African Economic Research Consortium (AERC) is one model of research funding in Africa. The AERC provides small grants to African researchers and scholars to undertake research and publication and promotes interaction through seminars and symposia. The ACBI will work closely with the AERC, perhaps augmenting its funding for advanced training in economics.

In-service training

The ACBI can also play a catalytic role in expanding the in-service training of African professionals in both the private and public sectors. Some practical possibilities might include increasing the mid-career opportunities for African professionals to gain relevant training and international work experience. Multilateral organizations, bilateral agencies, the international foundations, academic institutions and private corporations could offer a range of six-month to two-year assignments to mid-level African analysts and managers.

Through this kind of on-the-job experience, African professionals would have the opportunity to learn new skills, gain access to new technologies, and

acquire a fresh perspective on development issues. Valuable in-service opportunities could also be provided under other components of the ACBI—in the regional and national centers or in government policy units.

Local consultancy

Policy research and management capacity clearly must extend beyond the public sector. Thus the ACBI will also work to strengthen local consulting firms, professional associations, and other non-official bodies in Africa which can contribute to the policy debate. Private companies are often well positioned to assess a country's economic situation and to offer objective advice and projections to governments and to international agencies working in Africa. With support under the ACBI, the potential inherent in local consulting firms and professional associations could be expanded and strengthened. The Initiative could offer not only funding and technical advice to these bodies, but could also raise awareness of the potential of these firms and associations and help establish regional consulting networks.

There is a growing recognition of the advantages of promoting the local African consulting industry. The industry can assist in training nationals and provide a pool of professional competence which enriches academic training and public administration. Promoting local consultants could reduce the cost of consulting services, help employment, arrest the exodus of competent nationals to foreign countries, and assist in retaining within Africa the knowledge and experience gained during project implementation. Although the use of African consulting capacity has increased in recent years, progress has been much slower than in other parts of the developing world. Given the special emphasis now attached to the private sector as an engine of growth, it is vital to strengthen the capacity of already functioning and experienced private sector groups and institutions in Africa. The linkages between these private sector groups and the capacity created in government policy units and in national and regional centers would be very important.

The special contribution of the ACBI

The ACBI's contribution to capacity building in Africa will take place through:

- Short- and long-term objectives: The ACBI will operate to meet both the immediate need for policy analysis and management support and the longer term need to build institutional capacity that can produce skilled African analysts and managers.
- A multi-sectoral focus: Interaction and exchange will be encouraged not only between policy analysts and economic managers but also among various sectors, parastatals, public enterprises, key private sector firms, and NGOs.
- A recognition of political realities: The ACBI will integrate sound analytical techniques with an appreciation of political factors, helping to make policy analysis more acceptable to politicians and their constituencies.
- A strengthening of regional collaboration and networking: The ACBI will build networks of African analysts and managers as a means of moving African policymaking closer to self-reliance.
- African participation and implementation: African leaders and experts will be involved in every phase of design, implementation, and monitoring, ensuring that those who best know conditions and constraints are fully involved in and committed to the program.

More specifically, the ACBI will also:

- Reduce dependency: The ACBI will reduce dependency on foreign experts by encouraging African governments' utilization of their indigenous talent.
- Be sensitive to brain drain problems: A principal objective of the ACBI will be to encourage talented Africans to remain in or return to Africa by creating attractive institutional "homes" for that talent.
- Conduct training in Africa: Wherever possible, the ACBI will bring outside experts to Africa to strengthen African programs and institutions, rather than send Africans overseas for training.

Phasing and evaluation

As previously mentioned, it is not envisaged that all of the actions proposed under the ACBI will be accorded equal weight nor be implemented at the same time. The requirements of countries are different, and the particular actions implemented will have to be selected on a case-by-case basis by governments and donors collaborating through the ACBI's operating structure. The ACBI will carefully phase its programs, monitoring progress and adjusting to changing needs and circumstances as necessary. The risk of attempting too much too quickly is recognized, and the emphasis will be on starting a few, carefully designed projects and

building upon experience. Indeed, in the initial years, the ACBI should be viewed as a pilot program. This first phase will be subject to rigorous monitoring and evaluation. If results or progress are deemed to be unsatisfactory, its operations can be reduced in scale or discontinued.

It should be recognized, however, that the ACBI is a long-term initiative, the impact of which will go well beyond numbers of institutions and individuals. Improved processes and relationships, better donor coordination, rationalization and prioritization, cost savings and economies of scale, increased information-sharing, a strong African capacity-building network—these will also result from the Initiative. Implementation mechanisms and an administrative structure that would help achieve these objectives are described in the second part of this paper.

Part II
Management and Operational Structure

4

Implementation

Creating a partnership

In order to implement the activities described in part one of this paper, a number of conditions must be satisfied. First, donors must recognize the goals of the ACBI and the value of better coordination in implementing their current activities. Second, resources need to be pooled to meet a variety of country- and region-specific requirements in a long-term, flexible, and cost-effective fashion. Third, a firm commitment by African governments to utilize effectively policy, analytic and management skills will be needed.

The proposed ACBI framework will help satisfy these conditions. The ACBI will work through three channels: (a) the ACB Fund; (b) cofinancing; and (c) associated programs.

The ACB Fund

Given the nature and magnitude of the capacity-building challenge in Sub-Saharan Africa, financial resources will be needed to establish a central coordinating body and to design and implement capacity-building action programs. To accomplish these objectives an ACB Fund will be created, initially of $100 million. Access to its own source of funds will be essential to the ACBI's leadership and coordination roles. Given that it will be multilateral, the ACB Fund will exemplify an internationalism which will be important both for the effectiveness of its programs and the stability of the African institutions being supported.

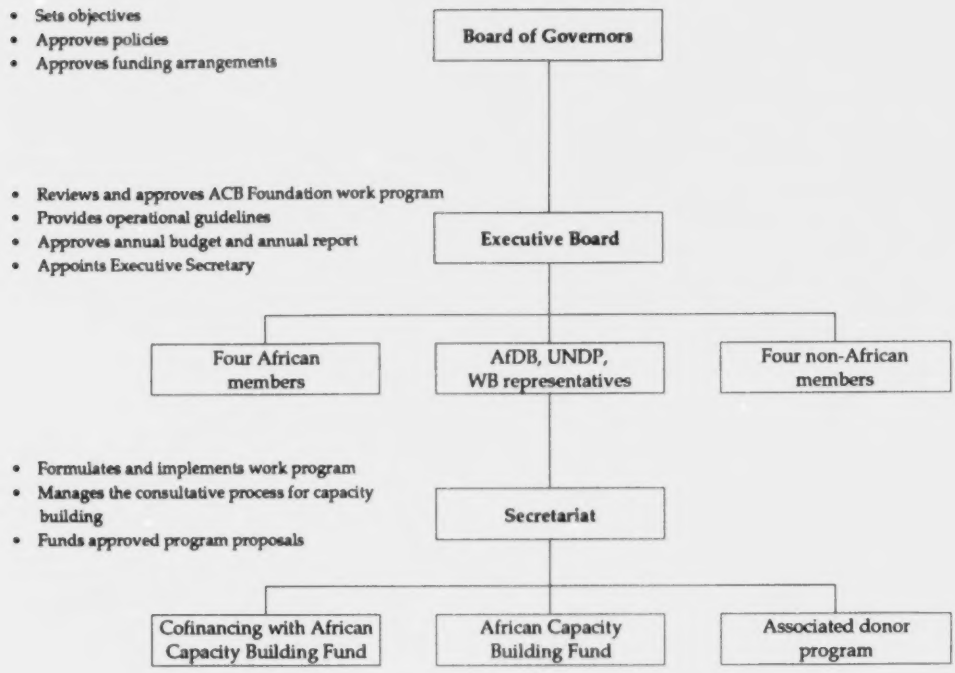
Donors will contribute to the ACB Fund. These financial resources will be used to fund new capacity-building programs and to supplement and strengthen ongoing programs which have proven effective. It is envisaged that financing will be on a grant basis. The ACB Fund will also finance the establishment of an administrative apparatus for the Initiative, consisting of a Board of Governors, Executive Board, and a Secretariat (described below). African financial contributions to the ACB Fund will also be strongly encouraged.

It should be emphasized that the ACB Fund will not attempt to substitute for all ongoing donor programs in the field of policy analysis and economic management. The Fund's comparative advantage will be in addressing critical gaps or weaknesses in current programs and funding efforts. Thus, the Fund is a central and essential component of the Initiative because it will give the ACBI the means to implement and coordinate new and ongoing programs. Without the Fund, the goal of increased coordination and better policy analysis and economic management in Africa is unlikely to materialize.

Cofinancing

As a second avenue for supporting the Initiative, donors might decide to channel some of their capacity-building resources through cofinancing with the ACB Fund. A donor might find this implementation mechanism useful in helping to strengthen some of its ongoing programs, to coordinate with other donors, or to reach a new target constituency which it did not feel capable of approaching on its own. The ACBI Secretariat will take responsibility for monitoring and evaluating the specific program to be cofinanced.

Figure 4.1 African Capacity Building Foundation (ACB Foundation): Organizational structure


• Sets objectives
• Approves policies
• Approves funding arrangements
Board of Governors
• Reviews and approves ACB Foundation work program
• Provides operational guidelines
• Approves annual budget and annual report
• Appoints Executive Secretary
Executive Board
Four African members
AfDB, UNDP, WB representatives
Four non-African members
• Formulates and implements work program
• Manages the consultative process for capacity building
• Funds approved program proposals
Secretariat
Cofinancing with African Capacity Building Fund
African Capacity Building Fund
Associated donor program

Associated programs

Donors will naturally continue to pursue some of their own individual efforts in the field of capacity building where they feel they have a particular preference or comparative advantage. Under the third implementation mechanism, donors—while continuing with existing programs—would agree to inform the ACBI Secretariat systematically of the details of these bilateral programs and to associate them with the ACBI. This will allow the ACBI Secretariat to follow these programs, inform other donors and African parties about them, and maintain a full inventory of capacity-building initiatives.

By associating their own capacity-building programs with the ACBI, donors will help to create a central networking and information center from which they will greatly benefit. For example, a donor might request the ACBI Secretariat to provide an analysis of donor experience in a certain subject or with a certain institution. The mechanism of associated programs, therefore, is a vital part of the ACBI's overall objective to coordinate and rationalize capacity-building efforts in Africa. However, donors are encouraged to participate in all three implementation mechanisms by contributing directly to the Fund, cofinancing with Fund resources, and associating their bilateral programs with the ACBI.

These three mechanisms for implementation will provide a flexible environment for capacity building in policy analysis and development management in Africa. No programs will be imposed by a centralized structure, and the mechanisms will allow for a broad range of actions. Additional mechanisms for implementation might be proposed as the Initiative evolves.

The range of the ACBI's implementation mechanisms will also allow for various modalities

to be used in capacity-building operations. These would include direct funding for projects, twinning arrangements between and among African institutions and donor institutions, networking among specific groups of institutions, analysts, managers, and donors, and use of existing institutional intermediaries in Africa, for example, the African Monetary Center, and effective subregional institutions such as the Southern African Development Co-ordination Conference (SADCC).

Approach to programming

The objective of the ACBI in its first phase is to build sustainable national capacity for economic policymaking and development management. In later phases, if successful, ACBI activities might be extended to other areas of capacity building to be decided by its management. Experience suggests that there are at least four necessary ingredients for an effective policymaking and development management process: the availability of professional skills, a political commitment to use those skills, conducive conditions for professional work, and institutional arrangements for bringing independent policy analysis to bear on key decisions.

The ACBI seeks to provide the necessary ingredients. External support can readily address the first condition by supporting measures to increase the pool of skilled professionals, but assuring an environment that effectively uses professional skills for policy analysis is not easily achieved. Previous efforts have not been notably successful. Thus a major preoccupation of the ACBI will be to strengthen the demand for policy analysis and to promote an environment conducive to first-class work. Establishing institutional arrangements and management processes to assure that key policy decisions reflect thorough analysis is even less amenable to external influence, but the ACBI will try to encourage and help build such institutional structures.

While the demand for policy analysis depends on domestic political realities, and in some cases the reality may be quite inimical to an improvement in capacity, in many cases policy work can be effective. It is essential, however, that it be sensitive to local conditions, located in the right place, and implemented through the appropriate channels. In fact, building a national capacity for policy work will itself help to promote the discourse on national policy. Thus, the ACBI does not take the demand for policy work as a given. A key step initially should be to stimulate a dialogue at the national level on the need for and value of building a capacity to improve policymaking and development management. It is important to ensure that at each stage, the ACBI's interventions and programs are client-centered, and that the approach responds to the needs of key policymakers and economic managers.

The main thrust of the ACBI program must be at the *national* level. Many issues reflect common problems, however, and these problems will respond to regional solutions. A regional approach can help identify models of success, disseminate successful experiments, and stimulate governments and practitioners to take a new look at old habits. Moreover, some institution-building may be required at a very specialized level, and here a regional approach allows for economies of scale and resource pooling. The ACBI program will, therefore, incorporate a regional and subregional dimension, adjusted to the needs of national clients.

It is likely that national and regional programs will emphasize the development of specific institutions. But there is also a need to encourage exceptional talent irrespective of an institutional connection. Avenues should be open for outstanding individuals to develop skills even when the circumstances in their home country are unfavorable to capacity building at the present time. Part of the ACBI program will therefore consist of open funding for training of and research by such talented individuals.

In order to implement the activities of the ACBI and to achieve its goals, a new institution will be established—the **African Capacity Building Foundation (ACB Foundation).**

Initially, the ACB Foundation will help countries carry out a *capacity assessment*. The Capacity Assessment team would include nationals and non-nationals, government and private sector experts, specialists supplied by interested donors, and consultants recruited by the ACB Foundation. The terms of reference would be to review: (a) existing policymaking and implementation processes; (b) policy analysis capacity; (c) the pool of relevant skills; (d) the environment for policy work; and (e) previous technical assistance, training, institution-building and initiatives. In these areas, points (a) through (d) would make use of analysis which may have already been conducted

by the UNDP's Management Development Program. Point (e) would draw upon work already accomplished under the UNDP's National Technical Cooperation Assessment and Programs (NATCAPS), or any similar study financed by a bilateral or multilateral agency. Such missions would then design a national action program for capacity building in line with the needs of the government and other national institutions. A typical program might include the following elements:

- Support for selected government institutions, and especially government policy units undertaking policy research and analysis
- Training, including in-service training, to help improve key national facilities and provide selective training abroad (where national or subregional capacities and facilities do not exist)
- Support for non-government institutional capacity building
- Support for public seminars and fora, publications and media campaigns to foster an environment for public debate of development policy issues.

The *program* should reflect the availability of resources and the opportunity cost of directing scarce human and financial resources to the program. The time frame should be adequate to allow for the development of capacity-building efforts—10 years or more. The program should be focused enough to make a critical impact. Capacity improvements should be phased to ensure that priorities are met—an important lever in sustaining momentum.

A cost-effective strategy for developing regional capacity could include strengthening national institutions; strengthening regional institutions to supply regional needs; and, where necessary, creating new centers at existing institutions.

- **Strengthening national institutions.** Based on capacity assessment studies, the ACB Foundation will give priority to proposals for programs aimed at strengthening institutions and departments concerned with public policy issues. Complementary to this would be programs to strengthen training in areas relevant to policy analysis and development management, especially national institutions capable of serving subregional or regional needs. The African Economic Research Consortium (AERC), for instance, has explored possible regional collaboration for postgraduate work in economics. With access to ACB Foundation resources, such an approach can be taken one step further.
- **Strengthening regional institutions.** As a first step the ACB Foundation Secretariat could compile an inventory and make an assessment of the programs of regional training and research institutes (for instance, ESAMI, IDEP, the African Centre for Monetary Studies), and collaborative arrangements (such as the AERC and CODESRIA). The survey could also include regional groups (like ECOWAS, PTA, and SADCC) that might have regional capacity-building programs. And regional institutes could be invited to formulate proposals in response to the ACBI. The quality of the response, especially relative to the client's needs, and its relevance to national conditions would be an initial test of existing capacity. It is likely that none of the existing regional institutes has the capacity to offer the sort of training at the postgraduate level envisaged by the ACBI. But in some cases (for instance, ESAMI), regional institutions may already have good physical facilities and considerable experience in the logistics of organizing regional programs.
- **Creating new centers in existing institutions.** The ACB Foundation is unlikely to establish new institutions. However, the establishment of new regional centers in already existing institutions is a possibility. The case for establishing a regional center would have to be compelling and based on the likely prospect that a fresh, ambitious thrust in response to the ACB Foundation's concerns will be realized. The case against it, of course, is that it entails high start-up costs.

To provide options to promising people outside existing institutional structures, an open competitive fellowship program for postgraduate study and research is important. Many countries face problems that make serious institution-building implausible. But there is a need to develop professional groups to provide the human resource base for capacity building when the national environment is more conducive. Moreover, even in countries with strong institutions, it is desirable to provide young professionals with options. Such fellowship programs could be co-financed by the host country.

Operational requirements

All proposals for ACB Foundation support will be evaluated by the ACB Foundation Secretariat. Those considered to be sound and of high priority would be submitted to the ACB Foundation Executive Board for approval. These proposals must conform to the

technical criteria established by the Secretariat and the policy requirements of the Board. The Board will give priority to addressing the constraints, disincentives, regulations, and other barriers that currently obstruct the effective use of local professionals and institutions. The *key requirements* for ACB Foundation support are:

- A sound assessment of national capacity needs, which may, where appropriate, be undertaken jointly by the ACB Foundation Secretariat and the national governments and with the participation of donors and local beneficiaries. The assessment should result in a prioritized capacity-building action program, including mechanisms at the national level to implement it.
- Prospects that the program will lead to the improvement of analysis, formulation, implementation, and management of policies for economic and social reform. The projected benefits and risks must be clearly articulated.
- The use of *African experts and institutions.*
- A strong commitment by the beneficiaries to sustain the capacities to be developed.

Scope of activities

In the first phase, the ACB Foundation's priorities for funding will include:

- Operations that create or improve the conditions and incentives for indigenous experts and institutions, encourage the retention of skilled Africans, and seek to repatriate African professionals for fixed-term appointments, if not permanently
- Initiatives that use Africans in policymaking and management roles
- Operations that provide governments with directly accessible policy analysis advice from African experts, which operations would focus on key public and private sector policy issues or on strengthening management capabilities
- Operations that deal with key economic and social policy problems, identify dysfunctional practices, open up a wider range of feasible options, or disseminate practices that have been effective elsewhere in Africa
- Operations that improve the skills, experience, and attitudes of African policymakers, managers, and analysts who currently (or potentially) play a vital role in the national development and policy reform process
- Operations that build networks within and outside of Africa and among African experts to improve the quality of policy analysis and strengthen African self-reliance
- Operations that improve donor coordination and achieve economies of scale.

Submissions for funding

Proposals from countries or institutions that qualify for ACB Foundation assistance should include:

- A description of the national background and strategic context of the operation, drawn either from a country assessment or from the country's existing development plan
- A technical, economic, and financial evaluation of the project, including previous efforts and links to current programs
- An assessment of African and donor support for the operation and an evaluation of its relative priority
- An assessment of the technical, financial, and management capacity of the beneficiary (institution)
- Identification of the key clients and beneficiaries of the proposal, their participation in its preparation, and their commitment to utilizing the output and ensuring a supply-demand link
- A description and quantification of the specific outputs
- The approach, strategy, and specific actions to be taken, incorporating a work program and schedule
- The organizational arrangements, budget, and contributions required
- The contribution that the requesting agency is willing to make toward the cost of the program. A counterpart contribution should normally be a prerequisite for ACB Foundation funding.

Technical review

The Secretariat will decide whether a specific program meets the established criteria and falls within the planning framework of the Country Assessment. The Secretariat will assess its priority and recommend to the ACB Foundation's Executive Board whether an operation should be funded by the ACB Foundation or cofinanced with other donors.

Phasing and transfer

Except in special cases the ACB Foundation will transfer funds only as and when projects are implemented, together with an appropriate level of start-up finance. Normally funds will be trans-

ferred based on the satisfactory completion of intermediate objectives and targets. If the recipient does not meet these goals, or is unable to satisfy the conditions stipulated in the funding agreement, further funding will be delayed. The Board, on the advice of the Secretariat, may cancel a program that is not being implemented satisfactorily.

Eligibility criteria

While the capacity-building Initiative's basic objectives are long term, the chances of success will be improved if the program achieves some early results that represent important milestones. Thus it is important to generate enough momentum to demonstrate effectiveness. To do this, the first countries selected should be those in which the probability of evident impact is high. The pilot program should tackle a limited number of countries (say, eight), and should strike a regional balance (for example, among Francophone, Anglophone, and Lusophone Africa, and among East, West, and Southern Africa).

The beneficiaries should be chosen from among those countries that are committed to building a capacity for economic policymaking, and that have expressed an interest in the program. This group should include countries that do not have well-developed professional cadres, those that have a reasonable human resource stock but difficult economic problems, and those that have relatively strong or improving economies but inadequate national capacity.

Specifically, countries will be evaluated against the following criteria (while recognizing that not all criteria can be fully met):

- A recognition that good governance is a prerequisite to economic development
- A willingness to undertake a credible economic reform program, particularly civil service reform, including adequate incentives for performance improvement
- Demonstrable demand for and a concern for achieving effective utilization of domestic personnel and domestic institutions in the field of policy analysis and development management, together with a commitment to improving the level of self-reliance and a wish to reduce dependence on expatriate technical assistance
- An open and nurturing environment and a supportive intellectual climate (debate, research, publication, and so on) contributing to policymaking and promoting the critical analysis of options for development
- A commitment to coordinating donor support activities in capacity-building efforts.

Monitoring and evaluation

Given the experimental and pilot nature of the ACBI, it is important to put in place monitoring, evaluation and information systems to control and guide progress toward achieving the ACBI's objectives and to provide feedback for revising the goals themselves. The ACB Foundation-funded programs entail comparatively long gestation periods; the evaluation expected after four years, therefore, will have to focus mainly on the management of the process and on assessing the rate of progress in moving toward longer term objectives, rather than on attainment of specific, tangible results.

The monitoring and evaluation system for the ACBI will be expected to provide early feedback on the progress, potential problems, and coordination of the components, as well as the likely outcome and lessons for the future. This in turn will require the ACB Foundation to adopt two operating principles: first, all ACB Foundation activities will have to be framed as projects so they can use conventional project monitoring techniques; second, the objective(s) of an activity (or project) will have to be specified in operational terms to permit a meaningful evaluation.

Monitoring

Project monitoring techniques are well developed and the Secretariat's program officers would be expected to have had experience in this area. At a minimum, the monitoring system will have to track project or program inputs (money, equipment, and staff) and outputs. Performance monitoring will entail assessing the use of resources against the budget and the timetable to make sure that outputs are being produced in a timely and cost-effective way. Considerable importance will also be attached to monitoring implementation methods for effectiveness and efficiency. As noted below, donors will be particularly interested in the replicability of new and effective methods of delivering enhanced capacity.

The most relevant monitoring models for the ACB Foundation will come from projects and programs in the social sectors. Some key features of such projects or programs are that: (a) there is a comparatively

long time lag between completion and realization of benefits; (b) quantification is more problematic than for productive sector or infrastructure projects (for which monitoring techniques were originally designed); and (c) there is a heightened political sensitivity about external interventions in the social sectors. This last feature is especially relevant for ACB Foundation activities, which are intended to affect the way policies are formulated and their content.

Evaluation

There are two important questions that evaluators will have to address. The first is whether the ACB Foundation in its pilot phase has been effective enough to warrant additional investment. The second is what lessons about effective capacity building in Africa have been learned from the pilot phase.

Participants in the ACB Foundation will look to the evaluation process to assess whether the ACB Foundation has succeeded in strengthening their economic management capacity and self-reliance in policy analysis and decision-making in the beneficiary countries, and whether, as a consequence, their relationship with multilateral and bilateral donors has evolved to reflect their control of policymaking.

Donors can be expected to be keenly interested, first, in the overall impact of the ACB Foundation on capacity enhancement, and hence on whether to provide continued support. Second, they will want to know whether the ACB Foundation has succeeded in developing innovative techniques, processes and mechanisms, with a view to incorporating them in their own capacity-building policies. Third, they will be concerned with the question of opportunity cost; does the ACB Foundation, a collective initiative under a centralized secretariat and fund, offer a more effective mechanism than their own programs?

The institutions and individuals that provide services might expect the evaluation to show whether the ACB Foundation has produced an enabling environment where their influence and their opportunities have grown, and whether their analytical work has been integrated in the public policymaking system. They will also want to know whether it has meant enhanced indigenous capacity, less reliance on outside experts, and gradual independence from donor support.

The ACB Foundation will have to be evaluated on at least three levels:

- The extent to which specific activities have met their objectives of strengthening individual and institutional indigenous capacity in the pilot countries and in the regional centers
- The impact of the ACB Foundation in improving national economic management processes and capacity in the beneficiary countries
- The success of the ACB Foundation as a mechanism for capacity building in Africa, particularly the extent to which the ACB Foundation identifies effective processes and mechanisms for delivering capacity-building assistance and for securing donor collaboration.

Since capacity building is a long-term process, expectations of success in the pilot phase should be realistic. The evaluation results will have to be couched in terms of "how much progress has been made?"

Level I

Each project will have a specific set of implementation mechanisms and objectives or targets. The scope, content, and methods of evaluation will vary with the particular activity—whether it is a training program for enhancing individual skills or a project to strengthen the analytical and training capacity of a national or regional institution. Evaluating any of these activities requires specifying an objective plus the standard documentation recording progress, and a closing report. For in-service or other group training activities, an end-of-course questionnaire would be administered as well as follow-up surveys. For fellowships, a system can be established to track the careers of the beneficiaries. This evaluation procedure should yield a rich store of information. In addition, this procedure will help impose a discipline on the selection and design of projects that focus on tangible, client-centered objectives, and feasible approaches. For research programs, the evaluation will track how the results have influenced policies related to the country's development plans.

Level II

At this level the evaluation attempts to link beneficial changes in national (or sectoral) economic management with specific ACB Foundation interventions. Attributing such changes to the ACB Foundation means cutting through a host of intervening variables and relying on indirect indicators. The evaluation will tend to rely on a struc-

tured interview (possibly preceded by a written questionnaire) with policymakers (senior and mid-level officials) and researchers.

Level III

Evaluating the overall effectiveness of the ACB Foundation as a mechanism for capacity building will mean, first, demonstrating the ways it has built capacities in all the participating countries. The evaluation is also likely to deal with issues such as the relationship between supply and demand, the constraints and disincentives facing the use of local capacity, and the conditions under which capacity building works most effectively.

Evaluation at this level will have to address the extent to which donor collaboration has worked. How much has been pledged? Has there been a reduction of overlap, operational collaboration, and a willingness to fill crucial funding gaps as they arise? Evaluators will also have to assess the extent to which donors have been willing to learn from the ACB Foundation approach and change their own capacity-building strategies.

The methodology at this level would entail a combination of organizational surveys, analysis of management information compiled by the Secretariat, and surveys of key stakeholders and beneficiaries.

Organizing the evaluation

It is essential that the Secretariat be involved in gathering data, case studies, and indicators of project results as the program develops. Since the evaluation will rely heavily on case studies and solicited views, the Secretariat should play a major role in the evaluation. This suggests that one staff member should have the requisite skills and experience for the evaluation work; a strong, broad-based social science research background and training in survey methods would be desirable. It is also imperative to obtain an independent, periodic evaluation audit after three years because the Secretariat will have an understandable interest in its own survival.

Links with other programs

The ACBI complements a number of other multilateral and bilateral programs and initiatives aimed at building capacity and strengthening institutions.[14] The bilateral programs are too numerous to list here, but the ACB Foundation will be designed so that there will be no overlap with or duplication of the following related activities:

The World Bank's education initiative

Two World Bank documents—*Sub-Saharan Africa: From Crisis to Sustainable Growth* and *Education in Sub-Saharan Africa*—reinforce a central theme: the need to improve the quality of basic education. Both papers emphasize that this focus on primary education is within the context of a broader concern for a balanced system of education. A solid educational base is a prerequisite for a higher education system capable of producing well-trained graduates. The ACBI and the Education Initiative converge on the need for a disciplinary mix that is aligned to priority development needs, particularly those for advanced degree programs. However, the ACBI and the Education Initiative only partially overlap. The ACBI is particularly concerned with stimulating demand for research and policy analysis, with postgraduate in-service training and continuing education, and with strengthening the institutions outside the formal education system that provide essential training, research, and consulting services.

Agricultural management training initiatives

Two current programs focus on African managerial capacity in agriculture—the Agricultural Management Training for Africa (AMTA) and the Agriculture and Rural Development Network (ARDNET).

The AMTA is working on a methodology for training project managers in agriculture, developing curriculum and training materials, and improving regional and national vocational institutions. The program was initiated in 1984 by the International Fund for Agricultural Development (IFAD), the Organization of African Unity's Scientific, Technical and Research Committee, the African Development Bank (AfDB) and the World Bank's Economic Development Institute (EDI). Twenty institutions will have been strengthened under this project when the current phase of the AMTA is completed in 1991.

The ARDNET program was prepared by the EDI in collaboration with the FAO, CIDA, and the government of the Netherlands, to improve the region's capacities for sector planning and management development. It complements the

AMTA's goals by strengthening training institutions' abilities to: (i) assist middle and senior managers in agriculture with strategic planning and policy formulation; (ii) improve agricultural services to meet the needs of small-scale commercial farmers; (iii) assist smallholders and community groups with credit and other financial services; and (iv) develop materials and training for community organizations in managing common property. The anglophone ARDNET component, covering 12 training institutions, was launched in May 1990; the francophone component, for the Sahelian countries of West Africa, is expected to start in late 1990.

UNEDIL

The UNDP/EDI/ILO Program (UNEDIL) shares the ACBI's commitment to African self-reliance and African leadership. While the specific focus of UNEDIL is to strengthen African training institutions, the program emphasizes linking supply to demand and developing the marketing skills of the institutions. UNEDIL is a mechanism for pooling the scarce resources of African management institutions in a network of 16 of the leading institutions on the continent working closely with their regional associations, key client groups, and consortium of donors, which include the United Nations Development Programme (UNDP), the World Bank, International Labour Organisation (ILO), Commonwealth Secretariat, U.S. Agency for International Development (USAID), CIDA, the government of the Netherlands, and SIDA.

UNEDIL works on civil service improvements, state enterprise reform, and private sector development. The activities of UNEDIL-assisted institutions cover issues of sector and project management. In contrast, the ACBI will focus on government policy units, selected faculties or programs of universities, and research as well as training institutions. Thus the UNEDIL program closely complements the ACBI's focus on policy analysis and economic management.

Special Action Program for Administration and Management (SAPAM)

SAPAM provides assistance to improve administration and management capabilities. Under UNDP leadership, SAPAM operates in two areas: the UN Inter-Agency Task Force for SAPAM, and country-specific work, funded by a $6 million grant from the Netherlands Trust Fund. The Inter-Agency Task Force serves as a mechanism for the exchange of information and coordination among the membership (the UNDP, ECA, DTCD, ILO and World Bank). SAPAM has worked on management and administrative capacity in seven countries. In addition, the UNDP has a $1.6 million SAPAM-related project that will be executed by the ECA. The UNDP is conducting an evaluation of SAPAM's achievements, effectiveness and its future role.

UNDP Management Development Program

The UNDP Management Development Program (MDP) established in 1988 aims at assisting developing countries in improving their public sectors by enhancing governments' management capabilities. It focuses on the efficiency and productivity of the public and parastatal sector; the capacity of an administration to formulate and implement long-term reform policies; and the organization of the civil service, including conditions of service. Most of the MDP's resources are provided to poor countries, with priority given to those classified as least developed. Fifty percent of the resources are likely to be spent in Sub-Saharan Africa.

National Technical Cooperation Assessment and Programs (NATCAPS)

National Technical Cooperation Assessment and Programs (NATCAPS) were developed by the UNDP in response to criticisms of technical assistance with the objective of assisting developing countries in managing and programming the technical cooperation they receive more effectively. The main outputs of the NATCAPS include: (a) a reliable data base on existing technical cooperation, (b) a government policy framework for technical cooperation, and (c) technical cooperation programs. NATCAPS are now under way in more than 20 Sub-Saharan African countries.

The consulting capacity-building program

In response to a program to develop consulting capacity,[15] African consultants from seven countries identified a number of problems facing the profession. These can be grouped in three broad areas: a lack of capacity, a negative attitude on the part of African governments (including inappropriate macroeconomic policies), and inappropri-

ate procurement policies of potential clients, particularly international aid agencies.

The approximately 350 consultants concluded that an adequate program for developing and training consultants in Africa would provide: (a) access to marketing information, (b) equal consideration by donor and governmental procurement policies, (c) education and training in the management of consulting firms, and (d) adoption of professional performance standards.

The ACB Foundation could assist African consultants by providing support for expanding capacity, improving their organizational structures, national and regional associations, and procedures to establish national standards; organizing seminars and workshops; supporting training programs by established consultants; helping consultants with marketing; and encouraging government policymakers to use services.

Special Program for African Agricultural Research (SPAAR)

In starting the SPAAR initiative, the World Bank and the international community recognized that the weak stage of institutional maturity and scientific capacity within agricultural establishments was a critical factor in the absorption of external aid resources. SPAAR, as a principal instrument for addressing Africa's institutional capacity needs in the agricultural sciences, was intended to replace the narrow and often short-term resource transfer model of capacity building, with more of a human capability and institution building model that was longer term. At the 10th plenary session of SPAAR in June 1990, it was agreed that to assist African agricultural research institutions and individual scientists in their national and regional policy contributions, a framework for action would be established for presentation at the next SPAAR meeting in February 1991.

This process is very important for the ACBI. For example, in Southern Africa, SPAAR has worked closely with the deans of faculties of agriculture in the SADCC region to agree on precedent-setting regional specializations for five SADCC universities covering masters and PhD programs in agricultural sciences and economics. On the assumption that African capacity in policy analysis and management requires sound agricultural and technological skills as well, the ACBI Secretariat should coordinate closely with SPAAR, and the ACBI Executive Secretary should attend SPAAR's annual meetings to assure optimum program complementarity and coordination.

African Economic Research Consortium (AERC)

The AERC is an example of a potentially successful capacity-building research network. The exchange about policy options and experiences facilitated by the AERC is open, nonpolitical, constructive, and carried on mostly by Africans. It is fully expected that the ACB Foundation would help support the work of the AERC.

Established in 1988 and based in Nairobi, the Consortium provides funding and technical support to some 20 teams of four or five researchers. The AERC network of individual researchers—linked with practitioners—have contributed to national economic policies by focusing on selected economic problems: balance of payments and debt management, for example. To ensure interaction among the teams and to enhance the quality of research, the Consortium also provides periodic meetings of the networks and seminars on technical issues of common interest.

The Consortium's effectiveness is largely due to the flexible approach that allows programs to be tailored to the needs of individual groups of researchers. By enabling well-trained Africans to remain in contact with colleagues across Africa and overseas, it is helping them to stay at the frontier of their profession and continuously deepen their professional knowledge.

Collaborative arrangements

One potential strategy for capacity building is the funding of long-term collaboration ("twinning") among and between African institutions and with those in the donor countries. Such collaboration has two potential advantages: (a) access to expertise; and (b) continuity of contact and support.

Such collaboration can be a useful ingredient, but will require careful programming. Past experience with twinning arrangements involving support from OECD development research and training institutes in Africa has been less than satisfactory for a number of reasons.

One problem is that only a few of the development studies institutes in the OECD countries have significant practical experience or expertise in economic management, and no proven track record in sup-

porting effective policymaking. Many development institutes were established in response to the conditions of the 1960s and 1970s and have not adapted to the needs of the 1990s.

One particular concern has been raised. Given their financial needs, these institutions tend to be enthusiastic in seeking contracts, and may be committed beyond their capacity. The result is that contractual obligations are met by temporary staff with a marginal relationship to the core staff. As a result, many collaborative projects have not lived up to the expectations generated by the reputation of the collaborating institution. The use of ACB Foundation funds to support collaboration will require more thorough planning than has typically accompanied previous twinning initiatives.

In particular, it is vital to examine the actual expertise that will be provided. It is not unusual to find that the qualifications and experience of so-called technical assistance experts are less impressive than those of their African counterparts. It is also important to assess the commitment of such staff to the project in question.

A concerted effort must be made to extend the pool of potential partners beyond the usual group of development centers and consulting groups to include institutions such as national statistical offices, economic institutes, and business schools.

Realistically, effective collaboration is expensive. It requires generous funding over a period long enough to enable the partner institution to plan its own work to ensure high quality. As this will involve allocation of considerable resources outside Africa, there is a particular need for rigorous appraisal. The ACB Foundation, with the assistance of donors, should therefore make a careful assessment of the competence of possible partner institutions based on past performance and existing staff.

5

Management structure

The ACB Foundation will have a three-tier management structure: the Board of Governors, Executive Board and Secretariat.

Board of Governors

The ACB Fund will be governed by a Board of Governors. To qualify for Board membership a country in Sub-Saharan Africa is required to make a minimum contribution of US$250,000, while all other members are required to contribute at least US$1 million. The Governors will meet annually, preferably at the time of a meeting of the Special Program of Assistance (SPA) for the low-income, debt-distressed countries of Sub-Saharan Africa. The Board will adopt its own rules and procedures and Board members will serve without compensation. The Board will appoint the ACB Foundation's Executive Board, select the Chairman of the Executive Board, and review and approve the ACB Foundation's broad objectives, policies, and annual report. It will have the authority to terminate the ACB Foundation. It will agree on the replenishment of the ACB Fund as may be needed from time to time.

Executive Board

Membership and tenure

The ACB Foundation's Executive Board will oversee the Executive Secretary and the Secretariat. The members will serve in their personal and professional capacities.

Board members will be selected on the basis of their professional competence, intellectual ability and their knowledge of African development issues. It is important that they have credibility in both donor and African countries, possess good diplomatic and analytical skills, have had in-depth exposure to economic development issues, and have a long-term perspective on the issues involved.

The Executive Board will have 11 voting members plus the Executive Secretary. The three sponsoring agencies will each be represented. Four members will represent the OECD countries and four will represent Africa. These eight members may be reappointed once, and they will be remunerated (fees plus expenses). The Chairman of the Executive Board may hold a full-time senior position elsewhere. The Executive Board will meet at least twice a year.

Responsibilities

The Executive Board will:

- Appoint the Executive Secretary and establish his or her terms and conditions of service
- Approve guidelines for staffing, and administrative procedures for recruiting and training professional personnel, including conditions of service, compensation, and benefits
- Establish criteria to determine which countries, institutions, or persons qualify for assistance
- Set priorities for research, training, and management improvement
- Review and approve the ACB Foundation's programs and activities to assure that they conform to

the changing needs and priorities of Sub-Saharan Africa, review the evaluation of the first phase, and propose any necessary policy changes in the way the ACB Foundation will operate in its next phase

- Promote and ensure the ACB Foundation's operational autonomy, insulating it from the policies and biases of donors, countries, or international agencies
- Ensure the ACB Foundation's financial integrity and accountability, including timely professional auditing of its operations.

Secretariat

Function and staffing

The ACB Foundation will be managed by a Secretariat that will:

- Select countries, institutions and persons who qualify for ACB Foundation funding
- Assist potential beneficiary governments in organizing teams to prepare national capacity assessments to serve as the base for ACB Foundation-funded programs
- Prepare policy papers for the Executive Board
- Assist governments and other beneficiaries to design projects, including studies on national and regional capacity-building issues
- Promote and supervise research on building national capacity for policy analysis and development management, including ways to ensure more effective use of trained nationals
- Monitor project implementation and collect some of the information vital to the evaluation of the ACB Foundation's first phase
- Ensure that projects meet the ACB Foundation's standards and principles, and that these activities are cost-effective.
- Generate improved approaches to capacity building and collect models of success.

A lean Secretariat is suggested with perhaps higher-level staff to be recruited as follows:

- Executive Secretary
- Program Manager
- Program Officers
- Financial and Administrative Manager
- Research and Evaluation Adviser
- Legal Counsel/Administrator.

Staff profiles

ROLE OF THE EXECUTIVE SECRETARY. As the chief executive officer, the Executive Secretary will serve as an ex-officio (non-voting) member of the Executive Board and will be responsible to the Board. The Executive Secretary will provide the Board with progress reports, including proposals establishing ACB Foundation policies and recommendations on the use of resources. He or she may consult with the chairman on major issues and will keep the chairman informed of progress. The Secretary will have authority for day-to-day management, and will seek authorization of the Board for all significant financial commitments.

The appointee will be responsible for identifying and developing ACB Foundation programs, monitoring and evaluating operations, preparing reports for donors and African governments, managing the Secretariat, and coordinating activities with the Executive Board and the Board of Governors.

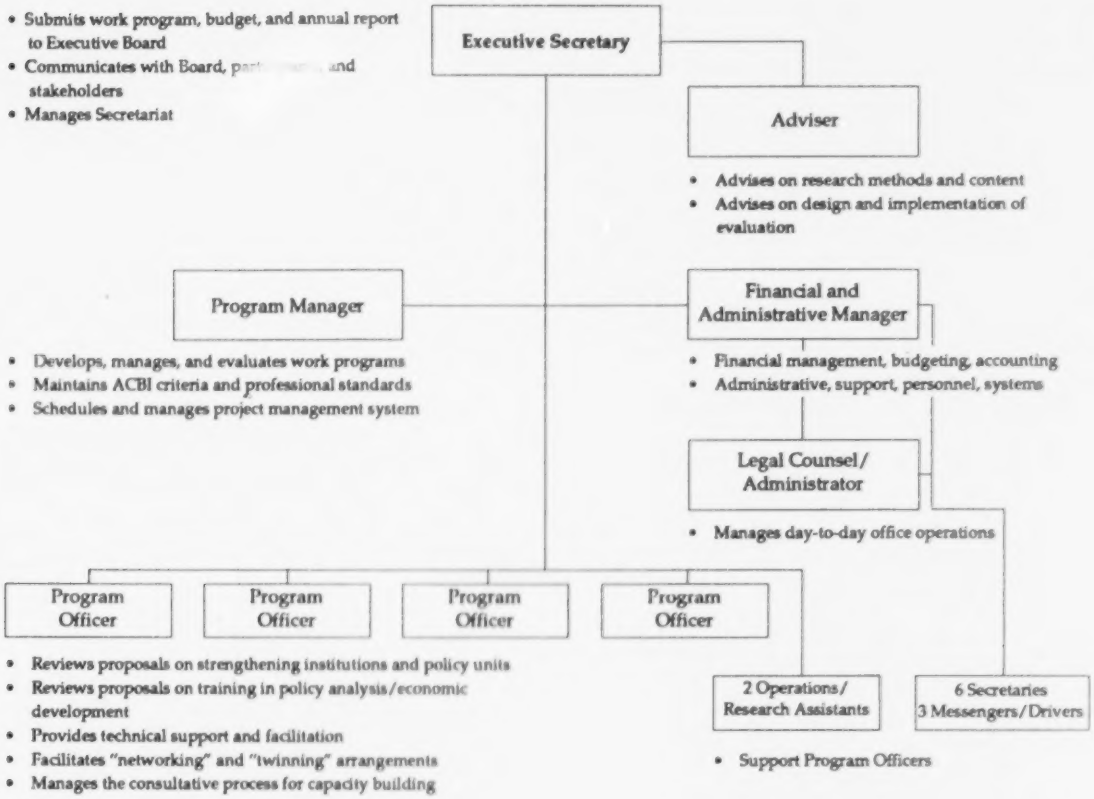
Responsibilities. The Executive Secretary will be responsible for:

- Developing operational plans to implement the Foundation's strategy for assisting capacity building in policy analysis and development management
- Obtaining the cooperation of donors and African governments
- Developing and executing grant programs
- Soliciting funds, managing donor groups, and coordinating assistance
- Managing a small professional staff
- Communicating with the Executive Board and the Board of Governors.

Credentials. The Executive Secretary should be a person of considerable standing within and outside Africa. Tenure will be for a four-year term initially, with the possibility of a one-term extension. The appointee would be expected to have a strong curriculum vitae covering the following qualifications and credentials:

- Advanced degree in the social sciences from a recognized university
- Experience in policy analysis, economic management, diplomacy, negotiation, and a proven track record in Africa. To provide credibility it is recommended that the appointee be an experienced, well-qualified African national.
- Extensive knowledge of and experience with African development issues and especially the region's needs for trained professionals in policy analysis and development management
- A demonstrated commitment to the cause of African development
- A sound knowledge of African institutions,

Figure 5.1 African Capacity Building Foundation (ACB Foundation): Management structure of the Secretariat


• Submits work program, budget, and annual report to Executive Board
• Communicates with Board, par and stakeholders
• Manages Secretariat
Executive Secretary
Adviser
• Advises on research methods and content
• Advises on design and implementation of evaluation
Program Manager
• Develops, manages, and evaluates work programs
• Maintains ACBI criteria and professional standards
• Schedules and manages project management system
Financial and Administrative Manager
• Financial management, budgeting, accounting
• Administrative, support, personnel, systems
Legal Counsel/ Administrator
• Manages day-to-day office operations
Program Officer
Program Officer
Program Officer
Program Officer
• Reviews proposals on strengthening institutions and policy units
• Reviews proposals on training in policy analysis/economic development
• Provides technical support and facilitation
• Facilitates "networking" and "twinning" arrangements
• Manages the consultative process for capacity building
2 Operations/ Research Assistants
6 Secretaries 3 Messengers/Drivers
• Support Program Officers

Note: As of the end of 1992.

centers of learning and non-governmental organizations

- Excellent communication and political skills
- Related work experience in senior positions of at least 15 years
- Fluency in English and a good working knowledge of French, or vice versa.

PROGRAM MANAGER. Under the day-to-day supervision of the Executive Secretary, the Program Manager will be responsible for the quality of the ACB Foundation's programs and projects, ensuring that they are relevant to the needs of the ACB Foundation's clients, are executed in a timely way, and meet the highest operational standards of effectiveness and efficiency. The Program Manager will form part of the Secretariat management team.

Qualifications. The Program Manager will require a background of training and experience comprising:

- An advanced degree in one of the social sciences from a recognized university, and at least 10 years experience in one or more development disciplines as a researcher, policy analyst, program manager in a development research or training institute or university, government ministry or state enterprise, or as a private consultant
- A thorough knowledge of African development issues and international economic trends
- An ability to conceptualize, plan, prioritize and coordinate innovative approaches to capacity-building programs at the regional, country or institutional level, and to maintain a dialogue with the beneficiaries and cofinancing agencies
- A superior ability to communicate orally and in

writing with senior members of the Executive Board, senior officials, researchers and other professional staff in government, universities, international agencies and other institutions

- Demonstrated ability to present, discuss and negotiate program and project proposals with potential beneficiaries in government and universities and with private individuals or institutions
- Demonstrated ability to manage a working team of professionals
- Fluency in either English or French (the Secretariat's working languages) and preferably both; knowledge of Portuguese would be advantageous.

PROGRAM OFFICERS. Under the day-to-day supervision of the Program Manager, the Program Officers will assist in preparing Country Assessments, and will help design, negotiate, secure Executive Board approval of and, once included in the ACB Foundation's portfolio, manage capacity-building programs or projects. Program Officers will also be responsible for monitoring the progress of programs or projects against their budgets and timetables and, on occasion, will participate in ex-post evaluations of their outcome.

Qualifications. Program Officers will have a background of training and experience comprising:

- An advanced degree in the social sciences, business administration or law from a recognized university and at least five years work experience in program or project management or related work in government, the private sector or an international agency
- Sound knowledge and experience in one or more development disciplines and a thorough knowledge of African development issues
- Facility in either English or French
- Ability to work effectively and harmoniously as part of a small team.

FINANCIAL AND ADMINISTRATIVE MANAGER. Under the day-to-day supervision of the Executive Secretary and within the policy framework enunciated by the Executive Board, the Financial and Administrative Manager will be responsible for establishing and managing a planning, programming and budgeting system and a parallel personnel management system appropriate to the objectives and the staff of the ACB Foundation Secretariat. He or she will form part of the Secretariat management team. The officer will be assisted in carrying out these responsibilities by an Office Administrator.

Qualifications. The Financial and Administrative Manager will have a background of training and experience comprising:

- At least a master's degree from a recognized university in one or more of the fields of business or public administration, accountancy, or related disciplines and at least five years of relevant experience in managing budgets of about US$2.5 million, preferably in non-revenue earning institutions in the public or private sector of an African country or in an international institution
- Strong analytical and quantitative skills and a good operating knowledge of modern information systems for managing, monitoring and evaluating work programs and the ability to adapt these to capacity-building operations in Sub-Saharan Africa
- Sufficient familiarity with modern office equipment for communications, word processing and desk-top publishing to judge their suitability for ACB Foundation operational and staff needs
- Experience in personnel management, including the establishment and maintenance of a salary and benefit pay system for internationally recruited staff
- Familiarity with local procurement procedures, government procedures and ordinances affecting international institutions and labor market practices
- Strong ability to communicate orally and in writing
- Ability to solve problems with a high degree of initiative and innovation.

ADVISER. Under the day-to-day supervision of the Executive Secretary, the Adviser will be responsible generally for monitoring and evaluating ACB Foundation operations and particularly for enhancing the quality of policy research supported by the ACB Foundation and of the evaluation work undertaken or commissioned by the Secretariat. The Adviser will form part of the Secretariat management team.

Qualifications. The Adviser will have a background of training and experience comprising:

- An advanced degree in one of the social sciences from a recognized university and at least 10 years experience in one or more development disciplines as a researcher or policy analyst in a public or private institution engaged in development management training or research
- A thorough knowledge of research methods in the social sciences and awareness of develop-

ment research under way in Sub-Saharan Africa and in leading international centers

- A thorough knowledge of evaluation methods in development management training and related social science fields and some experience in applying them
- A superior ability to communicate orally and in writing with senior researchers and officials—the ACB Foundation Executive Board and those in government, universities, private institutions and international agencies
- Fluency in English or French (and preferably both); some knowledge of Portuguese would be desirable.

LEGAL COUNSEL/ADMINISTRATOR. Under the day-to-day supervision of the Financial and Administrative Manager, the Legal Counsel/Administrator will be responsible for legal matters pertaining to the ACB Foundation; creating a hospitable work environment; and establishing and maintaining an efficiently functioning ACB Foundation Secretariat. In particular, the responsibilities will entail implementing personnel policies, payroll and other accounts, procurement, and recruiting and managing local staff.

Qualifications. The Legal Counsel/Administrator will have a background of training and experience comprising:

- A law degree from a recognized university and substantial experience in international law
- At least five years experience in managing an office in a government department, a private institution or an international agency engaged in activities similar to those of the ACB Foundation
- Knowledge of modern office technology and its procurement
- Experience in personnel management and local labor market conditions and practices
- Experience in office accounting systems, including payroll
- Some knowledge of local customs and traditions and local housing and education.

SENIOR STAFF ASSISTANT. Under the day-to-day supervision of the Executive Secretary, the Senior Staff Assistant will provide the full range of executive and secretarial functions, including dealing with sensitive and confidential information and maintaining an effective network of contacts with ACB Foundation Board members, beneficiaries, and international agencies.

Qualifications. The Senior Staff Assistant will require a background of training and experience comprising:

- Excellent proven executive secretarial skills and abilities in organizing, prioritizing, planning and coordinating executive and secretarial work of the ACB Foundation
- Ability to communicate orally and in writing with senior officials within the ACB Foundation and outside it
- Highly developed interpersonal skills with a pleasant diplomatic personality and cooperative attitude
- Proven reliability in handling sensitive and confidential information.

Staffing policies and operational procedures

Conditions of service (selection, hiring, compensation and benefits, termination, and so on) for ACB Foundation staff will be subject to the same conditions and terms applicable to other international organizations. All staff except the Executive Secretary will be hired on a fixed-term basis for a period of four years, which term is renewable. The Executive Secretary will submit procedures for the ACB Foundation's internal operations to the Executive Board for approval.

Location

The Secretariat will be located in Africa to reinforce African identification and ownership of the Initiative. It is proposed that the location of the Secretariat be kept distinct from any other regional organization, so as to prevent any likelihood of incorporation or confusion of purpose. The selection of location is based on various criteria applied to a number of candidate cities. The criteria are:

ACCESSIBILITY. Ease of travel both within Africa and between Africa and Europe. Because of the complexity of air transport in Africa, this criterion consists of three sub-criteria: travel within the subregion (Eastern, Southern, and Western Africa); travel from one subregion to another; and travel to and from Europe. Some cities score high on one or two of these, and poorly on a third, so the results must be averaged.

COMMUNICATIONS. Telecommunications (telephone, fax, telex) and mail.

PROXIMITY TO KEY CENTERS. These include international educational and research agencies, and donor regional centers, that will help to ensure that the Secretariat is not isolated, but kept in touch with broader developments.

GOVERNMENT SUPPORT TO INTERNATIONAL AGENCIES LOCATED LOCALLY. The record of support from the host government for similar international agencies located in the country, including contributions, protection and diplomatic status.

LOCAL LIVING COSTS. Cost of housing, office accommodation, utilities, food and supplies.

QUALITY OF LIVING STANDARDS. The attractiveness of the social environment, standard of living, quality of housing and facilities, and other factors which are needed to attract and retain high-caliber staff for the Secretariat.

AVAILABILITY OF LOCAL RESOURCE SKILLS. The Secretariat will be small, and inevitably will be faced with tasks from time to time for which it needs to contract local analytical and technical skills. This criterion is concerned with the convenient supply of such high-quality skills locally.

POLICY ENVIRONMENT. The political and economic stability in the country, and conduciveness of the climate to open intellectual debate on economic development policy.

Conclusion

These criteria were applied to African cities that are involved in some level of regional or international activity: Abidjan, Addis Ababa, Dakar, Gaborone, Harare, Lomé, Nairobi, and Yaoundé (the latter representing a combination with Douala). The application of these criteria yielded a group of four cities — Dakar, Gabarone, Harare, and Nairobi—most qualified to serve as the location for the ACB Foundation. Of these four, Harare was judged to meet the criteria in the most cost-effective way, and the government of Zimbabwe has agreed to host the headquarters of the ACB Foundation.

6

Building African cadres of excellence

Sub-Saharan Africa and its external partners face difficult challenges in the 1990s and beyond. As indicated in the World Bank's long-term perspective study, Africa's future development will depend upon four major cornerstones: investing in people, sustaining adjustment efforts, improving the quality of governance and government institutions, and maintaining the momentum of donor assistance. The ACBI would be an essential element helping to build these connections.

There is, of course, a risk in undertaking a new international initiative. The risk of doing nothing, however, is even greater. Without adequate capacities in policy analysis and development management, the reform efforts currently being undertaken across Africa are unlikely to succeed. Foreign technical assistance and expatriates will continue to fill policy analysis and management gaps, at high cost to both African governments and donors. Also, as the small existing numbers of qualified African analysts and managers retire, there will be no certainty of their replacement. As in the case of infrastructure, the failure to invest in and to maintain human resource capacity will prove to be extremely costly. Moreover, unless action is taken now, the opportunity may pass to capitalize on the emerging realization that internal capacity must keep pace with policy reform. Without the proposed concerted capacity-building effort, each donor will go its own way, and there will continue to be duplication, contradiction, and unnecessary waste of resources. The fundamental issues facing African economic management will not be tackled.

As has been emphasized repeatedly in this paper, the time horizon for the development of sustainable human and institutional capacity in Africa is decades, not years. But a start must be made now if tangible results are to be achieved in the future. Again, as this paper has indicated, the ACBI's results will be closely monitored at every phase of implementation and the impact will be measurable.

Only a few decades ago, Latin America and Asia were experiencing many of the same problems in policy analysis and economic management that Africa is facing today.[16] Even in parts of the industrialized world, little more than a century separates the relatively efficient bureaucracies of today from administrations in which inadequacy, misallocation, incompetence, and corruption were the rule rather than the exception. History suggests, therefore, that the deficiencies currently facing Africa need not be viewed as intractable. Indeed, political responsibility and accountability in Africa are likely to be increased by improving policy expertise and predictability. The ACBI can thus help significantly to promote better governance in Sub-Saharan Africa.

Donor agencies that have been supporting human and institutional development in Africa share many of the concerns expressed in this paper and are seeking ways to improve the effectiveness of their support. In 1989, several proposals emerged on the

international scene which emphasized the need for increased and improved capacity-building efforts. Most notably:

- **The Independent Group on Financial Flows to Developing Countries** (chaired by former Chancellor Helmut Schmidt of West Germany) proposed a $1 billion endowment fund for "policy-making, professional, technological and managerial leadership in Sub-Saharan Africa."
- The **Committee of Ten** to the African Development Bank (which included former World Bank President, Robert S. McNamara) recommended the establishment of a $500 million endowment fund to create more policy experts and to support management training institutions.
- The **Government of Japan**, in the address of the Honorable Ryutaro Hashimoto, Minister of Finance, to the Boards of Governors of the World Bank and IMF (September 26, 1989), announced a $300 million Special Fund for Policy and Human Resources Development to be established in the World Bank—to help make "governments' administrative systems more efficient and improve their capacity in formulation and implementation of policies which are needed in those countries."

The moment seems opportune, therefore, for an international effort to address the need for policy analysis, development planning, and economic management in Sub-Saharan Africa. As far as African governments are concerned, more and more are deepening the process of economic policy reform. They are open to ideas for producing and utilizing the cadres of policy analysts and economic managers that they recognize are needed to sustain the region's development progress over the long term. The donor community, working together and coordinating its efforts, can play an important role in helping African countries to attain that fundamental objective. The ACBI offers a conceptual and operational framework for the effort to begin.

Endnotes

1. World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth*, A Long-Term Perspective Study (Washington, D.C.,1989).
2. See Joseph Wheeler, *Development Assistance Committee: Chairman's Report*, 1989, for a commentary on the generally disappointing impact of technical assistance.
3. World Bank, *From Crisis to Sustainable Growth*, p. 181.
4. World Bank, *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* (Washington, D.C., 1981). One of this report's conclusions was that "accelerated growth depends more than anything else on training people and building institutions" (p.130).
5. World Bank, *From Crisis to Sustainable Growth*, p.27.
6. World Bank, *Education in Sub-Saharan Africa: Policies for Adjustment, Revitalization, and Expansion* (Washington, D.C., 1988). One of the platforms of the policy paper is that the quality of African higher education must be improved and that, indeed, these improvements will entail the establishment of programs/centers of excellence, albeit within a context of constrained resources (p.78).
7. In Ghana, for example, 94 percent of training budgets for institutions went into the Ministries of Agriculture and Health; for departmental training, an average of 1500 cedis (about $8) was allocated per civil servant, and only about 40 percent of that was spent in 1987.
8. World Bank, *From Crisis to Sustainable Growth*.
9. World Bank, "World Bank Technical Assistance Activities and Issues (FY82-86)" (September 1987).
10. World Bank, *From Crisis to Sustainable Growth*, p.181.
11. *Ibid.*, p.14.
12. David W. Steedman, "Capacity Building for Policy Analysis in Sub-Saharan Africa: A Review of the Experience of Selected Donors: (ARA Consultants, Canada, April 1987). This background paper, prepared under Bank sponsorship, highlights the worthwhile and timely assistance being furnished, essentially on a national level, by a variety of bilateral and multilateral donors as well as foundations.
13. S. Ibi Ajayi, J. Pegatienan Hiey, and M. Mukras, *Graduate Training in Economics for Africans* (Nairobi: African Economic Research Consortium, September 1989).
14. Other ideas on human resource development and capacity building include: (a) the recommendation of the AfDB's "Committee of Ten" Report for AfDB to develop ideas and mobilize resources for building African centers of excellence and an endowment fund of $500 million; and (b) UNDP's projects in support of Development Planning in Africa, and National Long-Term Perspective Studies.
15. The program was initiated by the World Bank in 1988 and financed by the UNDP, the goverment of the Netherlands, and the African Development Bank. Consultants represented Congo, Côte d'Ivoire, Ghana, Madagascar, Mauritius, Senegal, and Tanzania.
16. Francis X. Sutton, "Building Competences for Policy Analysis and Management in Developing Countries: Asian and Latin American Experience with Relevance for Africa" (World Bank, June 1987). This review, as one of the background papers for this study sponsored by the Bank, provided an account of the experience of Asia and Latin America in the area of policy analysis, especially through "twinning" and indigenous research institutions.

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